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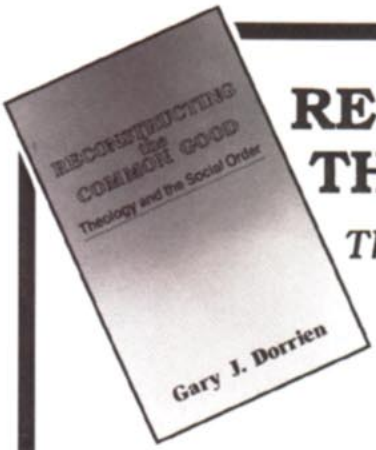

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Children play in unsafe conditions while their mothers work in Brooklyn garment factory.

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Jo-Ann Mort

A THOUSAND POINTS OF BLIGHT

In April the federal Department of Labor (DOL) announced it had undercounted the number of violations of the child labor law found in a three-day sweep conducted the month before. The department revised the number of violations, from 7,000 to 11,000, with fines close to $3 million. Yielding to congressional pressure, the DOL listed the names of violators, congressional committees held hearings, and the General Accounting Office (GAO) issued a report with some horrifying statistics. In the America of the 1990s, can we be returning to conditions of early industrial America? Of course we can. And we are!

According to the new GAO study, the number of illegally employed children was almost 22,500 in 1989, up from 9,200 in 1983 and way above 1970s levels. (These numbers are only for *detected* child labor.) These statistics include all types of child-labor violations: in hours, federal minimum-age standard, and hazardous order restrictions. Most of the violations found by federal investigators are in retail trade, especially restaurants. The growth of sweatshops has also led to child-labor violations. Sweatshops are not only in the garment industry; they can also be found in the restaurant and meat processing industries.

Why child labor? The DOL cites a tight labor market, but union leaders in the low-wage industries where violations are pervasive say that there are plenty of eligible workers. At a New York State Assembly hearing, Joe Tierno, a United Food and Commercial Workers representative, testified that "there are literally thousands of UFCW members who would be more than happy to have additional hours tacked onto their part-time schedules."

By keeping workers at a part-time level, employers avoid paying benefits. With child labor—Burger King was one of the large offenders cited by the United States government—large corporations are cutting corners.

There are two categories of child laborers. Children working for extra spending money may still be exposed to dangerous and unlawful conditions, but there are also kids from poor families working to help put food on the table or, in some cases, as the primary providers. It is the latter two groups that the federal government is less likely to pursue with vigor.

Often, the places exploiting children are out of the reach of regulation. (See *Dissent,* Spring 1988, "Return of the Sweatshop.") And, in many cases, the loss of hundreds of thousands of unionized apparel jobs has resulted in the return to child labor. (Another factor in the apparel industry is the increase of industrial homework, largely as a result of the Reagan-Bush deregulation of homework.)

There is a proliferation of child labor among migrant farm workers, who are not covered by the Fair Labor Standards Act, which regulates wages, hours, and work conditions. Children are also working on family-owned farms, using heavy equipment and putting in long hours that may cut into schoolwork. One of the states with the toughest regulations is New York, where pending legislation recommends changes in the labor law to compensate for children's school hours, tighten enforcement, and strengthen penalties. Yet, according to Hugh McDaid, the director of the state's task force that polices abuses in the clothing industry, the "new phenomenon" in child labor is "children without parents, primarily Mexican" immigrants. These children are illegal workers for whom stricter regulation will make little or no difference.

In Manhattan's garment district, in Chinatown, and all over New York City, children work side by side with adults, sewing pockets and collars just as an earlier generation of immigrant children did. Nine- and ten-year olds sometimes sew next to their mothers. Lacking affordable child care, mothers bring their kids to the shops, where employers put them to work. Other times, mothers working on a piece-rate system need assistance from their children to make enough money to support their families.

New York has been more vigorous than the federal government or any other state in fighting child labor. The state attorney general has been

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intimately involved, as has the New York City Fire Department. Similar efforts in California were virtually gutted during the Deukmejian administration. (One can only guess at the number of children working illegally in Los Angeles, especially since the apparel industry there is largely nonunion and made up of new immigrants from Latin America.)

Although California ranks first, between 1983 and 1989, the GAO identified in Ohio approximately 2,400 violations of work hour restrictions, over 400 violations of the minimum-age restrictions, and at least 1,000 instances where children under 18 worked in hazardous occupations.

On a weekday morning in early April, I accompanied several investigators from the New York State Department of Labor's Apparel Task Force on raids in New York City's garment district. We visited contract shops from Thirty-seventh to Thirty-ninth Streets, between Seventh and Ninth Avenues, in the center of the ladies' garment district. The shops employed between ten and forty people. Except for one shop that had brought itself up to code, each place we visited was a grab bag of violations: faulty wiring, blocked staircases, no fire escapes, bundles of cut fabric piled near the door ready for someone to take home, workers paid off the books and unaware of the minimum wage, several unaware of what their salary would be or when or how they would be paid. Almost all said they were paid in cash when paid.

Workers who told us they were working eight-hour days—from 8:30 A.M. to 4:30 P.M.—punched time cards that revealed a different reality: working hours from 7:00 A.M. to 6:30 P.M. They said they worked from Monday to Friday, but when asked when they were paid, they said "Saturday."

Workers in the shops were evenly divided between Mexicans and Asians. The Mexicans were mostly from the state of Pueblo, a rural state far from the Mexican border. The Asians were mostly Korean and Chinese, with one Thai owner.

One shop consisted of two tiny rooms with false walls to subdivide the floor with another contractor. There was no fire escape in either room; exposed wires hung from the ceiling; fabric was stacked everywhere. One Mexican boy from Pueblo, who said he had just turned eighteen, told us he had come to New York via Los Angeles just two months before and had only been working in the shop for a week. He had no idea how much he would be paid, or when or how. The boy said he was living with a cousin but gave a suspect address on the Upper East Side. He had an innocent, charming smile, though he was visibly frightened. The inspectors guessed his real age was several years younger.

Across the hall was another sweatshop, where there was a fire escape but the door opened up to an alleyway and led straight into a brick wall. On another floor in the same building we got off the elevator to step over bags of trash. Passing a baby seat, we walked into a room with about twenty-five Asian and Latin workers. Toward the back a young woman (not a minor) was sewing, with a baby in her arms. Behind her machine were two baby cribs. The owner of this shop greeted the inspection team with a friendly smile, though he already owed $20,000 in back fines. He had told the workers we were from the Immigration and Naturalization Service so that they would be afraid to talk to us. And he knew we were in the building because the doorman had slipped into the back elevator as soon as he saw us walk in. It was in this building that I noticed fabric tied in a J.C. Penny's bag and other dresses with label names and the "Made in U.S.A." emblem. As if the United States should be proud to produce goods in conditions emulating the worst of the Third World.

As we walked through the garment district, the inspectors told me that they could pretty much pick and choose among the shops—sweatshops with child labor could be found in any building. One inspector explained that if they're shut down, the shops reopen with a different name, a new location, and new workers. If a minor gets dismissed from one shop, he or she moves on to another, though the contractor is still liable for the violation.

Tacked on every lamppost along Eighth Avenue are "Help Wanted" signs in Spanish. They provide road maps for the inspectors. We followed the signs to a building on Thirty-seventh Street between 8th and 9th Avenues where we found a shop with no visible entrance, trash piled in the outer hallway, and a terrible stench coming from the bathroom, its stalls visible since there was no door. The inspectors had visited this shop a few weeks earlier with a television crew, but the owner had refused to unlock the heavy steel doors for them. This time we got in and found four possible violations. When asked, each suspect young woman contradicted herself in offering her age and the year of her birth. All were from Pueblo. They were sewing short cotton skirts with tags reading "Talbot's" selling for $42. The women were earning below the minimum wage. (No workers on our visits were aware of the minimum wage or that it had just been raised.)

When one of the state labor department inspectors heard I work for the Amalgamated Clothing and Textile Workers Union, he told me he thought the "Amalgamated was one of the best unions." His

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mother, recently retired, had worked for Bonds Stores as a fabric finisher; she was an Amalgamated member. He said she was proud of her salary upon retirement—more than three times what these workers were earning. I didn't ask, but her working probably helped with his college education. He said he still won't allow his wife to buy anything but clothes made in the United States. I wondered if the workers he was inspecting would ever have the kind of chance his mother and her family had.

These workers—especially the unaccompanied children—are so far from the mainstream of this country that it's difficult to imagine how they will ever make their way into society. They're likely to keep shuffling from sweatshop to sweatshop, with periodic visits back home. Federal proposals for strict high school attendance and other regulations don't do much for these workers, who are the underbelly of capitalism in George Bush's America.

Proposed federal legislation, introduced into Congress by Representatives Pease and Schumer, would strengthen data-gathering mechanisms; require states to rewrite rules regarding work permits so that copies are filed with the state's department of health, education, or labor; require the establishment of a mandatory nationwide reporting system for injuries and illness to child workers with stricter penalties for violations; and require the U.S. Department of Health and Human Services to work with the DOL to issue a joint annual report on the state of child labor in our country.

In California, assembly member Tom Hayden has introduced legislation with the support of the ILGWU that would hold the garment firms and retailers accountable for conditions in these "contract" sewing shops. Currently, garment manufacturers and retailers aren't responsible for labor law violations in sweatshops they hire to sew their piece goods.

Representative Tom Lantos recently held congressional hearings, revealing that youngsters were getting seriously injured and even killed delivering pizzas for "Domino's" pizza, which guarantees quick delivery. "Teenage drivers with pit crews are continually competing in the 'Domino's 900' race, where they usually have less than 900 seconds to sometimes make multiple deliveries," he found. "No one has ever died of starvation waiting for a pizza," Lantos observed. Yet, as we near the end of the twentieth century, children are wasting away—even dying—in "modern" sweatshops, fast-food joints, and backroom workplaces. □

William Greider

THE MESS, THE SCANDAL OF THE S&Ls

The backbone of the nation's long-standing commitment to home ownership was the savings and loan industry, the principal mortgage lender for many years. The government protected it against its larger competitors and provided a modest rate advantage to ensure that it would always have ample deposit funds for home lending. For more than forty years, the arrangement generally worked. Homebuyers enjoyed a modest hidden subsidy and, except during episodes of tight money, most working people could obtain a mortgage. The 1980 legislation, amid the rhetoric of free-market efficiency, removed those privileges. The S&L industry would now be "freed" to compete with commercial banks and others. Albert Wojnilower of First Boston observed at the time: "Freeing the thrift and mortgage markets from government subsidy and guarantee is like freeing family pets by abandoning them in the jungle."

The driving political force for financial deregulation was not laissez-faire theories of economic efficiency or arguments about integrating with the global financial system. It was financial-sector politics combined with double-digit inflation. Commercial banks had waged a fifteen-year campaign against the Federal Reserve's famous Regulation Q, which set interest-rate ceilings and differentials, and banks had succeeded in peeling off rate controls on one financial instrument after another. Each time the regulators gave in to the bankers, the remaining

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controls were weakened because there were more opportunities to evade them.

The *coup de grâce* that killed off Regulation Q, however, was inflation. The S&Ls were crippled by it, because as market interest rates rose, their balance sheets were turned upside down—they had lent long-term at fixed rates but were now borrowing short-term at higher rates. If they didn't borrow, they couldn't lend. Their depositors left for other places, especially the money-market mutual funds invented by Wall Street investment houses, where their savings would draw higher rates.

Furthermore, the once equitable social deal embedded in the preferential treatment for savings and loans now seemed badly skewed. The earnest mom-and-pop depositors who kept modest savings accounts at their local thrifts had become victims of the system. The virtuous "small saver"—a widow or family of humble means whose savings were losing real value because of inflation, yet still collected artificially low interest rates because of Regulation Q—was invoked in the political debate. Larger and more savvy players enjoyed much greater returns in the money market. Justice demanded market rates for everyone, or so it was said at the time. When the Gray Panthers came out for financial deregulation, the long political argument was essentially settled.

Having read nearly all of the congressional debate surrounding the financial deregulation of 1980, I was struck, first, by the fact that housing was barely mentioned. It was as though the liberal Democrats who supported deregulation did not want to remind themselves that they were undoing one of the great achievements of the New Deal era.

The second fundamental point missing from the debate was the contradiction that has led to so much financial destruction. The S&Ls would now be treated like grown-ups—freed to compete head-on with larger, more skillful financial adversaries—and surely that increased the likelihood that many would fail. The debate acknowledged as much. Yet Congress not only kept the same lenient rules for federal deposit insurance but also jacked up the coverage substantially, from $40,000 to $100,000 deposits. Kenneth A. Guenther, executive vice-president of the Independent Bankers Association of America, observed: "The combination of interest-rate deregulation with 100 percent deposit insurance is like the invention of gunpowder—sooner or later it was bound to explode."

The resulting wreckage is now fully visible. Everyone, in both politics and finance, has dirty hands. Instead of schooling the thrifts to live prudently in their harsh new environment, the Reagan administration encouraged the opposite, first by drastically cutting back regulatory supervision and then by advocating new lending powers for the embattled S&Ls, allowing them to try their luck in the tricky realms of commercial lending.

Wall Street also played its part. Merrill Lynch and Company, Inc. inventively initiated "brokered deposits," in which vast billions from large-scale investors would be sliced up into $100,000 packages and parceled out by computer to S&Ls. These were jumbo deposits that were fully covered by federal insurance, regardless of whether the S&Ls were sound. Many were insolvent, and the brokers knew it. Other firms picked up the game, and soon thrift managers were enjoying ample funding with which to make their disastrously bad loans. Merrill Lynch and other big brokerages are now finding profit on the other end of the process too, as they prepare for a lively business buying and selling the government-owned carcasses.

The Federal Reserve also deserves more blame than it has been given for the S&L debacle. When Paul Volcker was steering his tough-minded monetary policy, he was warned repeatedly by colleagues and staff economists that whatever his goals for the overall economy might be, there would be expensive consequences if he did not moderate and allow interest rates to fall. Volcker mostly ignored this advice, but that doesn't mean it was wrong. One former Fed economist told me that, early on, the staff predicted privately that given the level of interest rates the Federal Reserve was imposing on the economy, something like eight hundred savings and loans would eventually fail. Years later, it looks like a reasonably accurate, if not too conservative, forecast.

The broken wheel has not been fixed. The 1989 savings and loan bailout legislation did impose new restraints on the thrift industry, especially by setting more rigorous capital standards. By putting more of the S&Ls' own money at risk, the higher capital requirements may make many S&L managers behave more prudently. But the result could well be the opposite; a higher capital base did not prevent the major commercial bankers from plunging into various swamps, such as Third World debt, from which the government had to extricate them. Several years earlier, when federal regulators were raising capital requirements for the banks, Albert Wojnilower observed: "The only way for most intermediaries to earn a competitive return on a higher capital base is by raising the average lending margin,

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and that can be accomplished only by making riskier loans. Any apparent gain to the soundness of the financial structure as a whole is illusory."

Nor, beyond an embarrassed nod, did the bailout legislation acknowledge the housing crisis that is the social analogue of the financial crisis. Housing and homelessness are not fixed either and won't be soon. The creation of the Resolution Trust Corporation is a scandal waiting to happen. The deeper problems will not be truly mended until there is a general reform of the rules governing finance. Since neither Congress nor the president was prepared to take an honest look at the real damage wrought by the era of deregulation, they were naturally not prepared to consider real reforms. Perhaps, if even more spectacular failures lie ahead, the continuing shock and loss will eventually open their minds. □

Joanne Barkan

ITALIAN COMMUNISM, AFTER THE FALL

The Berlin Wall falls down, and the electoral fortunes of the Italian Communist party (PCI) come tumbling after. The party plummeted by 6.2 percent in regional elections in May. The drop was massive, from a regional average of 30.2 percent in 1985 to 24 percent. In the northern industrial zones of Lombardy and Piedmont, the Communists lost one-third of their 1985 electorate; in the "red fortress" of Emilia Romagna, the party slid by 10.4 percent.

Italians aren't casting out a Communist party that maintained a despised authoritarian regime. Instead, some voters who once supported the PCI seem to be punishing it for abandoning its idiosyncratic communist identity. Others are perhaps disaffected by the leadership's choice of tactics as the party changes. But these explanations need refinement.

Upon election as party secretary in June 1988, Achille Occhetto began transforming the PCI into a left social democratic force. Occhetto's agenda included defining a reformist program in tune with the successful social democratic parties of northern Europe; reaching out to feminists, environmentalists, and young people; rebuilding a grass-roots base among workers; pursuing a dialogue with the Italian Socialist party as the only hope for creating a majoritarian alliance of the left; pushing for electoral reform; and joining the Socialist International.

For eighteen months Occhetto's efforts met with approval in both popular opinion and the political establishment. Early in 1989 party members endorsed the new course at local conventions, and Occhetto scored a coup by meeting with Willy Brandt, president of the Socialist International. In June 1989 the PCI increased its share of the vote in elections for the European parliament.

Then the regimes in Eastern Europe imploded, with their Communist parties scrambling to change their names. The sweep of events in the East galvanized (or panicked) the PCI leadership. Days after the Berlin Wall fell, Occhetto proposed that the PCI refound itself as a new political organization with a new name. This organization was to be different from the PCI—broader, looser, and open to a variety of political and social forces. Occhetto's group didn't alter the 1988 agenda but wanted to make formal organizational changes quickly.

In March 1990 a special party congress was held to decide whether to begin a period of discussion on whether to found a new organization and, if so, what kind. (Italian Socialist leader Bettino Craxi dubbed the meeting "a congress to decide to decide.") Because delegates were elected according to their views, everyone knew that Occhetto's proposal to proceed with the discussion would win 66 percent of the vote.

Some delegates opposed to founding a new organization with a new name had supported Occhetto's original agenda. Now they joined with delegates who had rejected "social democratization" all along. Various party figures argued that Occhetto was trying to create a "light weight" catch-all party devoid of ideological identity; the PCI's task was to end capitalism and not to become a social democratic manager of the system; too much emphasis on alliance with the Socialists would subordinate the PCI to Craxi's party.

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These delegates dismissed the claim that the collapse of communism in Eastern Europe made it necessary to reevaluate their own political culture. Italian communism, they argued, had an autonomous and proud history in the development of Italy's democracy. They didn't, however, offer a concrete project. Their leaders spoke of the "liberating prospects of a good communism" or a "refounding of communism."

Occhetto asserted that these comrades hadn't come to grips with political reality, but at the same time his proposal for a new organization came under fire for being too vague. The media referred to the undefined, unnamed political formation as *La Cosa*—The Thing. The label didn't enhance Occhetto's credibility.

The debate at the congress changed no one's mind; those who opposed a discussion of refounding won the expected 34 percent of the votes. But a party attempting to become something different and *larger* couldn't afford to lose the support of a third of its members.

Bruised by the intraparty debate and weighed down by The Thing, the PCI plunged into the May election campaign—and sank. More than 2.3 million voters deserted the PCI, yet didn't reward other left parties. The vote for Craxi's Socialists rose by only 2 percent, the Proletarian Democracy party lost votes, and the share of the splintered "greens" stayed about the same. Apparently much of the disaffected PCI electorate didn't vote.

It's difficult to understand Occhetto's sense of timing. Why schedule a traumatic congress just two months before an election? Why try to get The Thing implemented so quickly? Or why do The Thing at all?

Perhaps Occhetto felt the party's name had to be changed as soon as possible. Perhaps he reasoned that if the leadership tried to change the name without simultaneously creating a new party, they would be accused of the shabby tricks pulled by the East European parties. In retrospect, the PCI might have been better off keeping its name a little longer or changing only its name—and enduring the inevitable flak.

Occhetto's task was difficult enough given the state of European social democracy. The more astute leaders of the European left acknowledge that their project must be redefined, as the collapse of authoritarian communism in Europe raises fundamental questions: How does the left propose to reconcile socialist values and economic efficiency? What is a workable mix of markets, regulation, and plan? Of private and socialized ownership?

The postcommunist era in Europe requires nothing less than a restructured marriage of socialism and liberalism, and this poses two great problems for the Italian Communists. First, Occhetto is trying to transform his party into a social democratic force at a moment when social democracy has its troubles. Second, the culture of liberalism is foreign to the PCI's tradition. Its membership has always heard the language of Marxism, Gramsci, class struggle, and definitive breaks with capitalism. When the current leadership talks liberalism and the French Revolution, members are bound to feel disoriented. And 34 percent rebel.

The debacle of the May elections has strengthened Occhetto's opponents in debate over The Thing. Later this year, a second party congress will decide what becomes of the PCI. The arguments will be bitter; the party could split. The push for a new organization may prove to be a blunder. Facing television cameras after the elections, an exhausted Occhetto said he planned no changes in policy. Then he described how two Socialist prime ministers, Michel Rocard of France and Felipe Gonzales of Spain, had warned him that the collapse of communism would create difficulties for the European left—at least in the short run. Sad but true. □

To Our Contributors:

A few suggestions:

(1) Be sure to keep a copy of your ms—the mails aren't always reliable. And please remember that we can't return articles unless they're accompanied by a stamped, self-addressed envelope.

(2) Please don't write to ask whether we're interested in such and such an article—it makes for useless correspondence. Look at our last few issues to see if your idea fits in. Or take a chance and send us your article.

(3) Type your ms *double-spaced*, with *wide* margins. Check all your figures, dates, names, etc.—they're the author's responsibility. No dot matrix submissions, *please*.

(4) Notes and footnotes should also be typed double-spaced, on a *separate* sheet. As we're not an academic journal, we prefer that they, wherever possible, be dropped altogether or worked into the text.

(5) We're usually quick in giving editorial decisions. If there's a delay, it's because a few editors are reading your article.

(6) Please bear with us—we have accumulated quite a backlog of material, and you may have to wait for a few issues before you see your article in print.

THE EDITORS □

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Brian Morton

How Not To Write for *Dissent*

The following study (that is, étude*) was originally submitted under the title "Strategies of Subversion: Discourse, Desire, and The Other in 'Gilligan's Island.' "*—EDS.

The hegemonic discourse of postmodernity valorizes modes of expressive and "aesthetic" praxis which preclude any dialogic articulation (in, of course, the Bakhtinian sense) of the antinomies of consumer capitalism.[1] But some emergent forms of discourse inscribed in popular fictions contain, as a constitutive element, metanarratives wherein the characteristic tropes of consumer capitalism are subverted even as they are apparently affirmed. A paradigmatic text in this regard is the television series "Gilligan's Island," whose seventy-two episodes constitute a master-narrative of imprisonment, escape, and reimprisonment which eerily encodes a Lacanian construct of compulsive reenactment within a Foucaultian scenario of a panoptic social order in which resistance to power is merely one of the forms assumed by power itself.[2]

The "island" of the title is a pastoral dystopia, but a dystopia with a difference—or, rather, a dystopia with a *differance* (in, of course, the Derridean sense), for this is a dystopia characterized by the free play of signifier and signified.[3] The key figure of "Gilligan" enacts a dialectic of absence and presence. In his relations with the Skipper, the Millionaire, and the Professor, Gilligan is the repressed, the excluded, The Other: he is the Id to the Skipper's Ego, the proletariat to the Millionaire's bourgeoisie, Caliban to the Professor's Prospero.[4] But the binarism of this duality is deconstructed by Gilligan's relations with Ginger, the movie star. Here Gilligan himself is the oppressor: under the male gaze of Gilligan, Ginger becomes the Feminine-as-Other, the interiorization of a "self" that is wholly constituted by the linguistic conventions of phallocratic desire (keeping in mind, of course, Saussure's *langue/parole* distinction). That Ginger is identified as a "movie star" even in the technologically barren confines of the desert island foreshadows Debord's concept of the "society of the spectacle," wherein events and "individuals" are reduced to simulacra.[5] Indeed, we find a stunningly prescient example of what Baudrillard has called the "depthlessness" of America in the apparent "stupidity" of Gilligan and, indeed, of the entire series.[6]

The eclipse of linearity effectuated by postmodernity, then, necessitates a new approach to the creation of modes of liberatory/expressive praxis. The monologic and repressive dominance of traditional "texts" (i.e., books) has been decentered by a dialogic discourse in which the "texts" of popular culture have assumed their rightful place. This has enormous implications for cultural and social theory. A journal like *Dissent,* instead of exploring the question of whether socialism is really dead, would make a greater contribution to postmodern discourse by exploring the question of whether Elvis is really dead. This I hope to demonstrate in a future study. □

Notes

[1] I follow E. Ann Kaplan, who theorizes the postmodern as a cultural "break" in the sense of Foucault's "episteme." See Kaplan, ed., *Postmodernism and Its Discontents,* Verso, 1988. Also see Michel Foucault, "Entretien avec M. Chapsal," *La Quinzaine Litteraire,* no. 5, May 16, 1966, p. 15. Also see Fredric Jameson's study of postmodernism, forthcoming from Duke University Press.

[2] Gilligan himself represents the transgressive potentialities of the decentered ego. See Georges Thibault, *Jouissance et Jalousie dans L'Isle de Gilligan,* unpublished thesis on file at the Ecole Normale Superieure (St. Cloud).

[3] Ibid.

[4] "Gilligan's Island" may be periodized into an early, Barthean phase, in which most episodes ended with an exhibition of Gilliganian *jouissance,* and a second phase whose main inspiration is apparently that of Nietzsche, via Lyotard. (See Thibault, op. cit., pp. 6–216, passim.) The absence of any influence of Habermas is itself a testimony to the all-pervasiveness of Habermas's thought. See Habermas, "Was Heisst Universalpragmatik?" in *Vorstudien und Erganzungen zur Theorie des Kommunikativen Handelns,* p. 4.

[5] The 1981 television movie *Escape from Gilligan's Island* represents a reactionary attempt to totalize what had been theorized in the series as an untotalizable heteroglossia, a *bricolage*. The late 1970s influence of the Kristevan semiotic needs no further comment here.

[6] Why do the early episodes privilege a discourse of metonymy? And what of the title—"Gilligan's Island"? In what sense is the island "his"? I do not have the space to pursue these questions here, but I hope to do so in a forthcoming book.

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Irving Howe

NOTES FROM THE LEFT

Now that the exhilaration of *glasnost* is wearing off and the problems of *perestroika* grow acute, there is a striking change of response to Gorbachev. Wise men shake their heads. They mutter, with crocodile regret or burbling delight, that he won't succeed, the Soviet Union will fall apart, its nationalist passions can't be contained, its economy is beyond salvage.

Perhaps so; who can say? Still, I find myself irritated when I read articles that revel in the thought of the coming crack-up of the Gorbachev regime. Will that be good? Good for the left? For America? For humanity? Or will it be enough that such a crack-up would prove conservative ideology to be "correct"? Reading some commentators, one gets the impression that the world can spin into a new cold war and the Soviet Union into a military junta if only that ideology is shown to be "correct." (Why do so many conservative ideologues remind one of old Stalinists?)

Gorbachev is hardly the ideal head of the Soviet Union; he is certainly not the one we socialists would have chosen if we had been able to do the choosing. Plenty of valid criticisms can be made of Gorbachev, and we'll be making some of them (we already have). But one thing ought to be clear: if Gorbachev falls, the result will probably be a repressive authoritarian regime yoking hard-line neo-Stalinists and zealous nationalists. This would be catastrophic. It would be catastrophic for the Soviet people, for the world, and, in smaller compass, for our socialist hopes. If *perestroika* succeeds even in part, if it eases the lives of ordinary Soviet people, and if thereby a portion of Gorbachev's claim that he wishes to usher in a "democratic, humane socialism" comes to seem mildly credible, then there will be fresh political opportunities. In a democratic Soviet Union such as is promised by *glasnost*, new movements, social forces, and political leaders would appear, leaving Gorbachev behind. But right now, the main thing is for *perestroika* to succeed, if only in part.

That's why it is feckless to indulge in the kind of Gorby-bashing that has recently become fashionable. Criticism? Of course. But if it's prudent to lower the rhetoric about, say, Lithuania's indisputable right to national independence in order to ward off a threat to Gorbachev's survival, then let the rhetoric be lowered. A painful choice? Of course, but life doesn't usually present us with choices lacking in pain. And people who are serious about politics have to recognize that.

A Pleasant Surprise

There are still surprises in this world, even pleasant ones. A not-universally-admired chap named Joshua Muravchik, best known as a cold-war polemicist nestling in a right-wing Washington think-tank, has written an excellent article about Gorbachev (the *New Republic*, March 5, 1990). Simply by troubling to read what Gorbachev has written and by the even more revolutionary expedient of taking him at his word, Muravchik has traced Gorbachev's political development in a fruitful way. He sees *perestroika* not just as a strategem for rescuing a broken-down economy but as a policy reflecting major changes in Gorbachev's thought, a movement from communist orthodoxy to, perhaps, "some form of 'democratic socialism.' " Gorbachev, according to Muravchik's reading, is genuinely intent upon effecting a "revolution" in Soviet life; he may retain much of the old vocabulary, but he has taken over some profoundly heterodox ideas—heterodox, at least, in the context of "Marxism-Leninism."

Reverting to his old style, Muravchik ends by announcing that "democratic socialism" is a "chimera." That just about settles the matter, since Muravchik *knows*—indeed, it's for such knowing that the American Enterprise Institute keeps him as a resident "scholar." But never mind: skip the moral, read the story.

Socialism "Buried"—Again

Chagrin—that's the word for it. For decades we democratic socialists have been making principled

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criticisms of the communist party-state dictatorships, both their political monolithism and their overcentralized economies. Now that many of these criticisms have been validated by recent events in Eastern Europe, one result is a loud cacophony that this signifies the failure of socialism. It's being "buried" again, for about the fifth time since I got out of high school.

This is the price we have to pay for the widespread identification of the communist dictatorships with socialism, an identification maliciously enforced by the right and fatuously seconded by the authoritarian left. And it suggests how utterly damaging is the readiness of those who use the mindless phrase "really existing socialism" to describe the communist world. "Really existing socialism" my foot!

Two friends are planning a collection of essays bringing together left-wing criticisms of the communist regimes, starting with the Mensheviks (Russian Social Democrats) and anarchists and ending with present-day writers. It should prove to be a valuable book, but will it change popular perceptions? Almost surely not. It's as if Stalinism, a terrible burden when it was powerful, would now pull us down in its death throes. When will we be free of this curse?

I don't mean to suggest that socialism is today in the best of health. We know that the political crises of this moment affect us, too. We know that much intellectual work remains to be done if the socialist idea is to take on a fresh energy. We even know it's not going to happen overnight.

In the past, left-wing movements under Marxist influence tended to dismiss as unhistorical efforts to specify "what a socialist society would look like." An oddity, as it seemed, was the now-defunct De Leonist sect, whose *Weekly People* used to print elaborate charts of *exactly* how socialist societies and economies would be structured. As against such absurdities, the left used to say that the people (the workers) would take history into their own hands and then decide. Fine, but it turned out that if you didn't have a few clear ideas about what you proposed to do when history fell into your hands, you wouldn't know what to do even if it did fall into your hands.

So one thing high on our agenda at *Dissent* will be a series of modest, intermittent efforts to do a little "future-painting"—without charts. There have in recent years been published some fine books along these lines: Alec Nove's *Economics of Feasible Socialism*, Michael Harrington's *Socialism, Past and Future*, Radoslav Selucky's *Marxism, Socialism and Freedom*. We'll try to go a little further, in a fraternal, critical spirit.

Moods of the Moment

What is the dominant mood of the moment? By this I mean the shared expectations and anxieties among people who think about "the state of the world." It's hard, of course, to answer such a question precisely, since the question isn't very precise. But that doesn't make it any the less important.

With the fall of the communist dictatorships we had a moment of exhilaration. There was something profoundly stirring about the mobilization of people in Prague and Leipzig after decades of repression. But the euphoria seems to have dried up and to have been followed by moods of skepticism and uneasiness.

In Eastern Europe there is the beginning of a realization that, notwithstanding the rhetoric about "free markets," the immediate future could be very hard. No one knows when it will get better, or if it will. In the West there is the problem of a reunited, immensely powerful Germany. In the United States post-Reaganite drowsiness has succeeded Reaganite sleeping sickness. All that silly babble about the "end of history" gives way to a sober realization that we're probably facing something like a "return to history," that is, to all the problems that were kept suppressed (for instance, nationalism) by the totalitarian regimes.

I suspect that in Eastern Europe, now that the excitement of liberation is dying down, there will flourish moods of skepticism, disenchantment, even cynicism. What else can you expect after decades of communist indoctrination? It's as if that part of the world is living through a historical moment at once postrevolutionary and postcounterrevolutionary, or the worst of both.

Among intellectuals there has been a major shift rightward. The time of large hopes is past; utopia lies dormant. For how long? No one knows—probably for several years. Meanwhile, the herd of independent minds, to summon Harold Rosenberg's memorable phrase for the intellectuals, is hurtling toward the joys of the "free market," aka capitalism.

Is it then perverse to say that this might be a pretty good time to reassert socialist convictions—not ideologies, not rigid programs, not exhortations, but the animating values that have inspired the socialist idea? I have by now lived through five or six shifts of social-cultural mood and opinion, and I know how febrile and unreflective these can be. A little patience, a little hard thinking, a little stubbornness of conviction: that's not a bad prescription.

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The Return of a Blight

It's déjà vu all over again, as Yogi Berra used to say; only this time, it's not funny. Reading Jo-Ann Mort's piece on child labor in this issue of *Dissent*, I drifted back in memory to the late 1920s and early 1930s, when liberal, socialist, and labor figures formed a coalition to fight child labor. (What was the name of that committee? Norman Thomas was on it; bless his soul, he was on all the committees.)

The fight to abolish child labor seemed won when it was banned in the mid-thirties, but clearly such fights are never quite won. Not under capitalism, not under any system that may succeed it. The rickety welfare state established through the New Deal has proved sadly vulnerable to attack. By its very nature, the welfare state must serve as an arena for contention, one in which opposing forces strengthen or weaken social legislation. So here we are, a lifetime later, having again to confront the shame of child labor. Another "triumph of capitalism"!

A Cool Million

The gifted novelist Mario Vargas Llosa recently decided to run for president of Peru. A moderately leftist government had done poorly, and Vargas Llosa, sort of an ex-Trotskyist, now appeared as a Latin Thatcherite infatuated with the "free market." You can imagine how that stirred the hearts of the poor and the peasants! As if to show he was absolutely up to date, Vargas Llosa is reported to have spent a million dollars on a U.S. public relations firm that would know how to "sell" him to the Peruvian people. (Did the firm even know where Peru is?) The "sale" apparently hit a snag, since the novelist was bested by an obscure rival of Japanese descent who made a more "populist" appeal to the voters. Many Peruvians, reflecting upon the poverty of their country, were said to be offended that Vargas Llosa, perceived now as the darling of the rich, should have spent that much money on a PR firm. Did it actually come to a cool million? We don't know, but as soon as information reaches us, we'll pass it on. For this, too, is part of the culture of our time.

Missing Mike

The months pass. It's a year since Mike Harrington died; yet hardly a day passes when I don't find myself missing him. And this must be true for many others.

Mike and I had a habit of meeting once every several weeks for freewheeling political discussion. How excited he'd have been to witness the collapse of the communist regimes, how uneasy he might have felt about some of the subsequent developments! He lived to see the start of the great events of 1989 but not the outcome. In an introduction I've been writing for a paperback edition of his last book, I've improvised an imaginary dialogue about these events, such as we might have had if he'd been spared a few more months. Had it only been possible. . . . □

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Bogdan Denitch

FIRST FREE ELECTIONS IN YUGOSLAVIA

Yugoslavia is now irreversibly on the road to a multiparty system as the framework in which both the fate of democracy and the future of the Yugoslav federation will be determined. That at least is quite certain, although the fate of neither democracy nor Yugoslavia is certain. At the end of this year, if all goes according to plan, multiparty free elections are mandated for all Yugoslav federal units.

Old habits and systems die hard and new ones are developing with many false or ambiguous starts. Despite an ever freer press and political life, many old institutions continue functioning as if nothing has changed. Despite the free multiparty contests in two republics, Slovenia and Croatia, in spring 1990 and others announced for the rest of the federation by the end of the year, conditioned reflexes reflecting the "old ways" still permeate too many Yugoslav institutions. Some examples: In the same spring 1990 Yugoslav diplomats joined Third World authoritarian regimes in voting against condemning human rights violations in Cuba and China! While no longer enforced in most of the country, the laws that permit prosecution for verbal crimes are still on the books. Although the press is not under League of Communists control and is reasonably free in Slovenia and Croatia, a massive press purge, directed by the supporters of the local Communist leadership, is still going on in Serbia. In Croatia the anticommunist victors openly threaten a purge in television, radio, and press, not to speak of the civil service, judiciary, and police. The Yugoslav Minister of Defense chose quite unsubtly to warn voters that their choice was being watched by the federal armed forces a few days before elections in Slovenia and Croatia. He thus helped the local right-wing separatists and hurt the broad reformist left in general and the locally reformed League of Communists in particular. The founder of the centrist Croatian Social-Liberal alliance withdrew from leadership because of growing anti-Semitism in his party.

The formal and informal watchdogs of human rights will have their hands full in Yugoslavia. The good news is that these organizations, journals, and even official institutions do exist and function vigorously. These institutions have vastly improved the political atmosphere. So has the increasingly clear commitment to democratic values on the part of the reformed wings of the League of Communists dominant in Croatia, Slovenia, and Macedonia.

Yugoslavia, now going through the difficult process of developing into a postcommunist society, remains a fascinating laboratory for the rest of Eastern Europe and the Soviet Union. This is because the federated and heterogeneous nature of the country permits observers to follow the same processes operating under sharply different conditions. We can already answer such questions as what difference does it make if the first free elections are held using proportional representation (Slovenia) or a winner-take-all single-district two-round system (Croatia)? What happens to civility during democratization in ethnically homogeneous environments (Slovenia) as against ethnically divided ones (Croatia, Bosnia, Serbia, and Macedonia)? What, if any, is the effect of the levels of economic development and literacy on the prospects of democracy? After all, the range of development in Yugoslavia is roughly from that approximating the less developed parts of Austria in the northern republic of Slovenia to that of the Soviet Central Asian republics in Kosovo and Macedonia. Per capita income ratios are six to one.

Two of the six republics and one province spent centuries in the Austro-Hungarian Empire with its mix of relatively efficient and uncorrupt bureaucratic authoritarianism and its link with Catholicism and Central European culture. The rest of the country has a Byzantine-Orthodox and Moslem heritage dis-

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torted by centuries of Turkish misrule and prolonged bloody struggles against that rule. The political tradition in Slovenia and Croatia is federalist, Catholic, and legalistic; in Serbia, centralist, Jacobin, and secular. Can such diverse traditions create sufficient civic cohesion for democratic decision making to have any legitimacy? Can an ethnically diverse Yugoslavia permit majority votes to determine the outcome of major disputes between regions and national groups? Or does the survival of democracy require negotiations between federal units (republics) that are internally democratic, practicing one person one vote but insisting on consensus among the federal units where all have an equal say? Are such loose confederations capable of surviving in a world economy that demands efficient economic policy-making by the center?

Part of the answer is given by invoking the present deus ex machina: entry into the European Community. The argument is that within a European Community economic policy-making is settled on a supranational Community level, so that on other issues one can have regional autonomy. There is a good bit of truth in that, and Catalonia, Scotland, and Lombardy will assert ever more autonomy within a unified European Community. Localism will continue to develop as Europe unifies.

Unfortunately, entry into Europe is a long way off for Yugoslavia and other East European postcommunist states. With the European solution in the distant future, decisions have to be made about the economy today. How one manages in the "meantime" will determine in good part how long it will be. What the fate of human rights is, will help determine the degree of support Yugoslavia will have from the European Community.

But this is not well understood by Yugoslav politicians. A crude pseudomachiavellian cynicism prevails among them. Those of the anticommunist right believe that it is enough to vote out the Communists and privatize much of the property in order to be embraced by Western Europe. They overlook the powerful role of the social democratic parties and trade unions in Western Europe as well as the record of the European parliament regarding human rights. The Communist politicians believe that Yugoslavia's role in the dormant nonaligned movement and as the first independent Communist state still counts. At most they are willing to make economic concessions to what they perceive the West wants, by opening up the economy to market forces and private property. This is why the democratic, socialist, and trade union groups in the West must not cease insisting that human rights, democracy, and the right of political organization are the sine qua non for acceptance into the European Community.

The results of the first free elections in communist Yugoslavia are mixed. As in the rest of Eastern Europe, the incumbents have been made to pay. However, the reform Communists in Yugoslavia did much better than their opposite numbers in Eastern Europe. In Slovenia, Milan Kucan, leader of the reform Communists, won a large majority, over 58 percent, making him the first freely elected Communist head of state in Eastern Europe. Nationalists and separatists did poorly in that republic, although the Communists and their immediate allies received only 22 percent of the vote. Most of the rest of the votes were distributed among left-of-center parties committed to further democratic development. Among these are the former Communist youth organization reborn as the Liberal party, the Peasant party, which has long favored coalition with the Communists, the Greens, and the Social Democrats. The center, organized in a coalition named DEMOS, will form the first noncommunist government in postrevolutionary Slovenia. It will cohabit, French style, with a president who is clearly left.

If Yugoslavia is to survive as a state, it will do so as a confederation, for there is no other way to keep Slovenia in voluntarily. Slovenia's population comes to over 8 percent of the Yugoslav population, and the republic accounts for some 25 percent of all Yugoslav exports. Therefore, Slovenia seems likely to stay in Yugoslavia on terms acceptable to its electorate. That means Yugoslavia will not only be a multiparty state, it will also be a loosely confederal multi-ethnic state, and, as such, a possible model for a possible Soviet Union. In this popular desire for a confederal Yugoslavia, the Slovenes are joined by the new Croatian government formed by the Croatian Democratic Union (HDZ).

In Croatia, as a result of a grotesque electoral system recommended by legal experts and picked by the Communist-controlled outgoing legislature—a two-round system much like that of France, combined with a winner-take-all in the second round—there has emerged a sharply polarized electorate. Picking this type of electoral system was another of the strategic errors made by the Croatian Communist reformers. And since they wanted to monopolize the space on the left, they delayed the legalization of alternate parties to the last possible moment and entered the election with the burden of the unpopular nomenklaturas on their backs. Thus it

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was in effect not possible to vote for the left without voting for the Communists, and a large number of voters saw the election not as a choice between competing programs but as a referendum on the League of Communists. Though fundamentally reformed, the Croatian League of Communists appeared in the election as the all-too-familiar local cadres. Delaying the legalization of the new political parties maximized the advantages of those who would play on ethnic xenophobia and national grievances. The nationalist terrain, in turn, had been well prepared by relentless nationalist bullying from the hard-line Serbian leadership.

Thus a double referendum took place in Croatia: one on the League of Communists and the other on the Serbian leadership of Slobodan Milosevic. Even under these unfavorable circumstances the League of Communists of Croatia (now the Party of Democratic Change) did well, particularly in the less provincial region of the port cities of Rijeka and Istria, and also in the areas where the Serbian minority lives. The right-wing landslide of the HDZ was not due to a popular vote; it only received about 40 percent of the vote. The Croatian Communists and their allies won around 32 percent and the center coalition some 15 percent. Yet the international and Yugoslav press treated the election as a right-wing landslide! To be sure the distorted election system ended up giving Tudjman's right-wing HDZ almost two-thirds of the legislature. This is a grim lesson for those democrats who still believe that "technical" questions like the electoral system make no difference. There is some perverse justice in all this, since the system was chosen by the Communists. Alas, the mistake may be paid for by democracy and inter-ethnic tolerance. HDZ has the feel of ugly nationalism about it.

Still, the Croatian Communists did twice as well as any East European Communist party in the first free elections, reflecting the "difference" that distinguishes the Yugoslav Communists from their East European opposite numbers. Unlike the others, they won power through prolonged civil war combined with a war against the Nazi occupier and did not come to power on the back of Soviet tanks.

The victory of right-wing national populists of the HDZ led by former General Franjo Tudjman is a serious setback to the orderly evolution of a democratic postcommunist Yugoslavia. The immediate casualty may well be a moderate politics of transition toward democracy, with the ability to compromise, tolerate differences, and refrain from attempts to settle historical grievances. At worst, the stresses and strains on the Yugoslav federation may increase to the point where the federal cabinet will fall and the armed forces feel they have to take a hand. That unpleasant detour from the path of democratic change would incur heavy costs in relation to the European Community. It would set back essential economic reforms. It would worsen the national tensions in Yugoslavia. But the path to democratization is nowhere smooth. The nationalist genie is out of the bottle, and how it is managed will affect the fate of democracy. The Croatian elections are, in part, the bitter fruit of democratization too long delayed, too reluctantly embraced and of the reckless games that the Serbian Communist leadership has played with Serbian nationalism over the province of Kosovo. All this seems decidedly familiar when we look at the future of Eastern Europe and the Soviet Union. □

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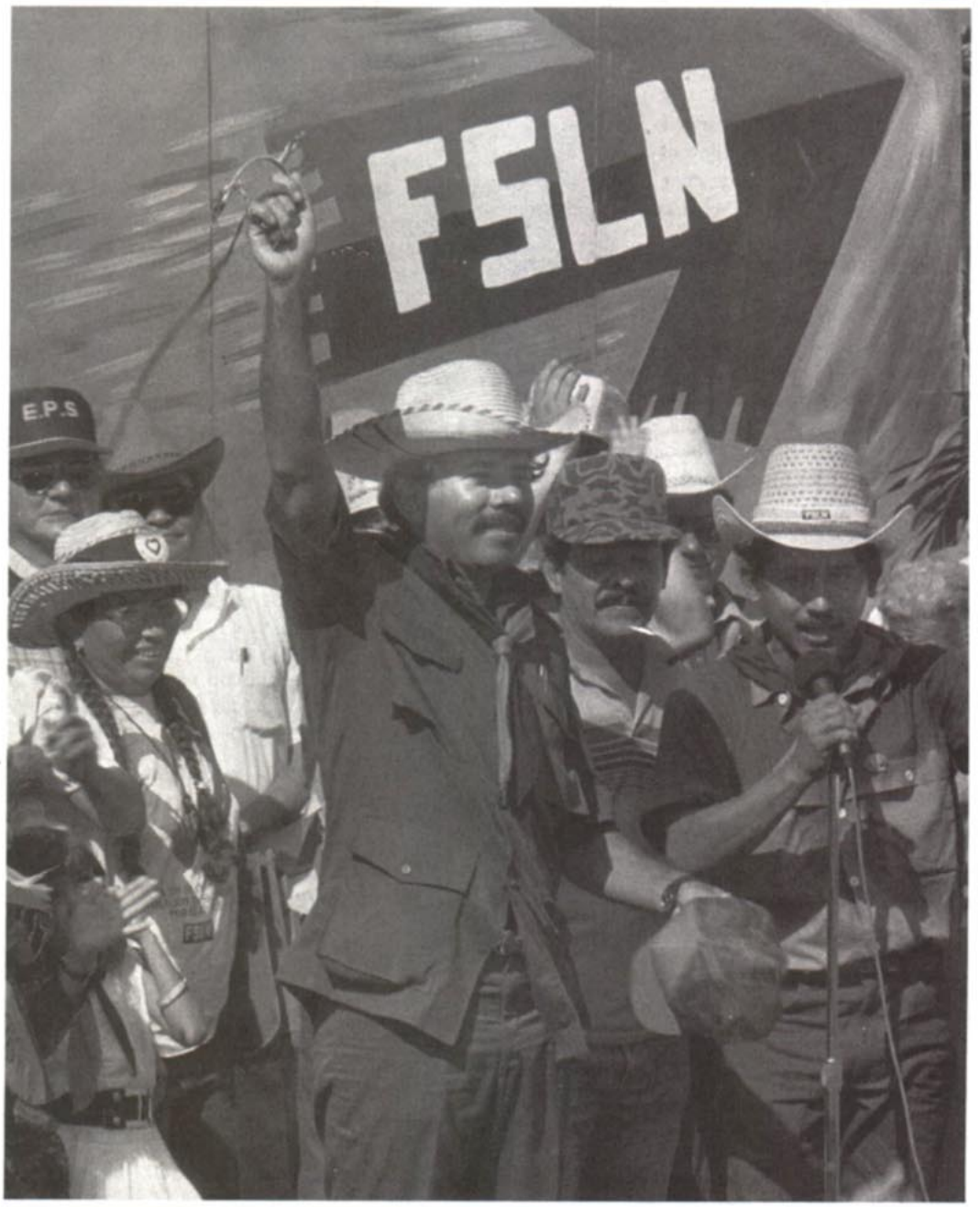

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Paul Berman

WHY THE SANDINISTAS LOST

Eleven Years of Nicaraguan Revolution

A few days before the Somoza dictatorship was overthrown in 1979, Anastasio Somoza Debayle called a demonstration for himself in central Managua. A vast crowd descended on the rally grounds. A Nicaraguan journalist tells me that, looking at the immensity and enthusiasm of the crowd, one would never have guessed that most Nicaraguans hated Somoza and that even some of the cheering multitude secretly detested the man and his government.

Why did people who felt that way come to demonstrate for him? Because for anyone who depended on state contracts or employment or needed some sort of favor, attending Somocista rallies was the soul of common sense. Not to mention that, should you ever tilt into opposition, the Somocista government was likely to organize a Liberal party mob to keep you in line—tough characters drawn from the jails and the underworld who could be called out to march in the streets and assault anyone thought to oppose the regime. There was the additional intimidating fact that Somoza maintained a ruthless army of eight thousand men.

When General Somoza asked you to come to a demonstration and cheer at his name, you had good reason, therefore, to give that invitation serious thought. You stood in the sun and chanted, "Viva Somoza!" And when the opportunity arose—you overthrew the bastard.

A few days before the Nicaraguan elections last February, the Sandinista Front for National Liberation held a mammoth campaign rally in the big Managua plaza. There were at least two hundred thousand people, or, by the most common estimate, three hundred fifty thousand (meaning ten percent of the entire country), or possibly more than four hundred thousand. It was the biggest election rally in Nicaraguan history and widely regarded as a sure indication of impending Sandinista victory.

Yet four days later, when the people voted in what was guaranteed to be a secret ballot, only five hundred eighty thousand persons from the entire country put their mark in the Sandinista column. A large percentage of the crowd that chanted the Sandinista slogans must have entered the polling booth and voted for the person who had been vilified for years as the antipatriotic representative of the oligarchs and Yankee imperialists, Violeta Barrios de Chamorro—whose own crowds never exceeded fifty thousand.

A similar incongruity cropped up in the famously disastrous pre-election polls. When Ted Koppel said on *Nightline* two days before the election, "Almost certainly, the Sandinistas will win," he was relying on scientific polling data. People who told the pollsters they were going to vote Sandinista must have behaved precisely like the mammoth assemblage in Managua—public Sandinistas who privately got rid of the Sandinistas at the first possible moment.

Why did Nicaraguans behave in those mysterious ways? It was not because Sandinista Nicaragua ever became an out-and-out totalitarian state. But as the Somozas showed years ago, out-and-out totalitarianism is not necessary for getting crowds of unhappy Nicaraguans to chant praise of the government. A degree of freedom for a paper like *La Prensa* and for a multiparty parliament—dozens of

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parties! hundreds!—is perfectly compatible with a reasonably effective system for coercing the population, so long as the opposition press and political groups have no power.

The Sandinista Front is a vertical, centralized, military-style structure that, during its ten years in power, incorporated political coercion into its activity, including the best of its features: its revolutionary reforms in land distribution, health services, and education. To advance in school, for instance, to get grade points, it was a good idea to cooperate with the draft and to march in the Sandinista parades.

A little more than a year before the 1990 election I attended a national day parade in the town of Masaya and watched hundreds of schoolchildren bearing red-and-black Sandinista banners march in formation down the muddy avenue to the cathedral plaza. It was the sort of scene that struck naive visitors as a sign of Sandinista popularity. In reality the town of Masaya was the most radical place in Nicaragua, a Kronstadt of the tropics that had long since come to oppose the Sandinistas, as anyone could tell from private conversations (and indeed the town and especially its proletarian barrio voted strongly against the Sandinistas in the election). Yet the children carried the red-and-black, while on the sidewalks, the proud parents—or perhaps humiliated parents—cheered.

Violence, terror, and absolute power weren't required to get those children to carry Sandinista flags. Control over the schools was sufficient. Or in the case of getting neighborhoods to collaborate, control over rice and bean rations. Or in the case of artisans or farmers, control over raw materials.

The Sandinistas could, if necessary, call on violence, too. The Sandinista People's Army (a translation of Ejército Popular Sandinista), eight times larger than Somoza's National Guard, exercised political control merely through selective use of the draft, plus the political indoctrination that accompanied military training. The Ministry of the Interior fielded a small army of its own along with a secret police whose training (from East Germany's fraternal Ministry of the Interior) was strictly the best. Plus the Sandinistas, too, maintained government mobs—though, this time, the mobs didn't come from the criminal class but from the 19th of July Sandinista Youth and the government employees.

An important means of social control was the threat of expropriation. A dispossessed rural and urban labor force has been growing in Nicaragua ever since the coffee boom of the 1880s; yet the country as a whole has never taken on a proletarian quality. Large numbers of families, poor as they are, have never lost their claim to a tiny plot of farmland, or a part-time or full-time artisan business, or rights over a stall at the market. These families were vulnerable in the extreme to Sandinista threats of expropriation (just as, under Somoza, they were vulnerable to the identical threat, though in different forms).

When the Sandinistas asked you to carry a banner through the streets or to cheer Daniel Ortega, you might have any number of reasons, then, to cooperate. When pollsters came around to ask you questions, you might have greater wariness over East German security techniques than the pollsters seemed to recognize (even if, in the political "opening" of the last three years, fear of the Ministry of Interior police tended to diminish). Possibly the Sandinistas offered you a T-shirt and a cap with Sandinista emblems. You might put them on. The shirt and cap were very likely the newest, cleanest clothes you owned.

You might not even be entirely certain of the true state of your own feelings—given that almost everyone authentically loved the Sandinistas at the beginning of the revolution. Still, as the years wore on, your feelings sorted themselves out. And when two thousand election observers from around the world had tramped across every plaza in Nicaragua and everyone had a chance to see these observers in the flesh, when at last you came to suspect that the February 1990 ballot was going to be secret, and when you have meditated sufficiently on Cardinal Obando y Bravo's repeated admonition that a dignified person does not sell his vote—well! In that case you entered the polling booth, and you put your faith in God and Jimmy Carter.

Serious reporters and commentators on

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Nicaraguan politics were badly misled about last February's election by the polls and the immensity of the Sandinista demonstrations because these observers seemed to think that, what with the antigovernment newspapers and radio stations and opposition parties, the average Nicaraguan must have felt sufficiently free to express true opinions. But in Nicaragua pluralism and authoritarianism have coexisted through two social systems.

To what degree is the United States responsible for turning people against the Sandinista Front? The blocking of financial credits beginning early in the 1980s, the U.S. embargo that began in 1985, above all the contra war that was financed and for several years directed by American agents—these policies were never justified, morally or politically, and have had terrible effects. Yet imperial destructiveness can explain only so much.

One of the main goals of the Nicaraguan revolution was to eliminate dependence on the United States, to diversify the foreign market and sources of capital. The Sandinistas were not wholly unsuccessful in these efforts. U.S. customers disappeared by White House executive order; yet customers from other countries largely took their place, sometimes by order of the Kremlin.

The Soviet Union in recent years sent Nicaragua, according to a Soviet acknowledgement early in 1990, almost a million dollars a day of civilian aid in credits and goods—possibly more in earlier years. The East Germans, Cubans, and others sent additional aid and technical advice. Military aid reached equivalent levels, making altogether, according to the usual estimate, a billion dollars a year of East Bloc aid during most of the 1980s. Western Europe sent a hundred million dollars or more a year. In the early years, Mexico and Venezuela sent oil, and in recent years emigrant remittances may have reached as high as (roughly estimating) a hundred million.

Capital mostly flowed out of Latin America in the last decade, because of the debt crisis and other disasters. However, in Nicaragua's case, as the economist José Luis Medal has pointed out, net capital flowed in. Nicaragua's national debt multiplied many times. U.S. policy was intended to strangle Nicaragua; yet the actual effect was to prevent capital from flowing at a higher rate than it did.

Trying to tally up economic consequences of a war can seem a little revolting. Almost 1 percent of the entire population, an extraordinary figure, was killed in the contra fighting. Obviously the economic consequences were profound. But is it possible to define these consequences without appearing to minimize the horror of what has occurred?

The war damaged the economy in three main ways. It required the Sandinistas to divert probably more than 50 percent of the government budget to defense. Yet the remainder, because of the aid pouring in from around the world, still surpassed what the Somoza government ever had. The effect of the defense budget was to limit what was nonetheless a growth in funds at the government's disposal.

The war displaced part of the labor force into the army, which was another bad blow to the economy. Still, the work force in Nicaragua, owing to overall population growth, did not diminish during the last ten years. It increased by four hundred thousand persons. If previously productive lands sometimes went untilled under Sandinista rule, that was not because the army swallowed the work force. At the end of the Sandinista period, unemployment reached 30 percent, in spite of army enlistment. Labor displacement to the army, harmful though it was, cannot by itself explain the economic collapse.

Finally, the contra war wreaked physical damage to the coffee harvest, to livestock, and to mining. Most of the physical damage occurred, however, in the regions where the contras were strongest—the remotest, poorest, least developed sections of the country, which have never been central to the economy. The heart of the economy, in the rich agricultural departments on the Pacific coast, was pretty much untouched by the fighting.

Then came the Arias plan and the 1987 ceasefire, and though sporadic fighting continued ever after, the remote coffee fincas, livestock ranches, and mines in the contra zones were in most cases physically able to revive production. Yet it was only then, in

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1988 and 1989, that the economy finally tumbled down the stairs. Production fell 1 or 2 percent a year during the period when the war was at full steam, with inflation at 1,800 percent. But with the ceasefire more or less in place, production fell by 7 or 8 percent a year. Inflation in 1988 reached 36,000 percent.

The period after the ceasefire was when industrial workers in Managua finally sank to an incredible 10 percent of what they had enjoyed under the last Somoza. The mass scrounging in garbage dumps, the widespread signs of a hunger that modern Nicaragua had never previously known, the reduction to two and even one meal a day for masses of the poor—these horrible phenomena, which had been visible in earlier years but were usually denied by Sandinista supporters, now became undeniable. The war was a crucial element in that calamity. Still, if other aspects of Nicaraguan life had been going well, neither the war nor hostility from the United States would have sufficed to sink the economy.

Was a corrupt and privileged bureaucratic "new class" an additional factor of major proportions, as some people say? The rise of a Sandinista bureaucracy did generate the kind of extreme class division that is characteristic of communist regimes—the system, above all, of special stores with American products for the elite *nomenklatura*. Some spectacular examples of high living have turned up: the private fleets of cars, the expropriated beach houses. But the Sandinista elite in Nicaragua never exceeded some 5,000 persons. The privileges had a bad effect on morale and on Sandinista popularity and led to a couple of celebrated party resignations. Sandinista privileges could not have had much effect on the economy.

Or, as other people say, was "mismanagement" the main problem? The Sandinistas relied partly on Bulgarian advisers for the economy, and it may be that, yes, the Bulgarians proved less than brilliant. The grotesqueries of Sandinista pricing have become clichés. Everyone in Nicaragua recalls the time when a tractor tire cost more than a tractor, a glass of ice water more than a gallon of gasoline. Big industrial investments—a deepwater port on the Atlantic coast, a milk refinery—were ill conceived. On top of which came Hurricane Joan in 1988, followed the next year by droughts, then by excessive rains. What hasn't happened to poor Nicaragua!

Even so, I think the gravest of the problems was political, in its origin ideological. The Sandinistas came to power at an auspicious moment. The United States, still with the administration of Jimmy Carter, sent more aid than the Somozas had seen in years. The Soviet Union was supportive. Of the countries in the region, Venezuela, one of the richest, and Costa Rica, the nearest, were enthusiastically pro-Sandinista.

The original revolutionary junta included both the Sandinistas and Mrs. Chamorro and was supported by an overwhelming and ardent majority. Merely by expropriating the Somoza properties and the estates of Somoza's cronies, the revolutionary government controlled 20 percent of the national wealth, plus the national banking system, which ought to have sufficed for instituting a thoroughgoing social reform.

A sentiment for some sort of democratic socialism was so widespread that even the traditional Catholic hierarchy pronounced in favor of the word "socialism," though most people seemed to mean by that something like what existed in Costa Rica. And why not? Costa Rica was and remains a living proof that, in spite of every reactionary instinct of the State Department's Latin American desk, Central America need not dwell forever under the shadow of oligarchic feudalism and political terror.

The social democratic party in Costa Rica—Oscar Arias's National Liberation party—staged a revolution of its own at the end of the 1940s and was able during the next years to institute magnificent reforms. Costa Rica is a poor country with drug problems, a bad press law, a vulnerability to foreign meddling, and every sort of difficulty. Yet schooling grew to be as democratically available as in France or Norway. Infant mortality sank to as low as any place in Latin America. Life expectancy rose as high as in the United States. The army was abolished. Labor won rights. Somehow the Costa Ricans managed not to fall into a state of hostility with Washington, D.C. Central Amer-

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icans flee *to* Costa Rica, not *from* it. There are no political exiles.

The Sandinistas, when they seized power in 1979, likewise employed a social democratic vocabulary and spoke of nonalignment. In reality the original Sandinista idea was Cuban, with some significant democratic modifications. When Sandinistas used the word socialism, they meant a party-state system characterized by centralized administration and state ownership—state farms, for instance, as in Cuba. Accordingly the Sandinistas nationalized foreign commerce and, as much as possible, internal commerce, too, so that almost everyone who wanted to buy or sell was supposed to conduct business through the Sandinista ministries.

The Sandinistas set out to absorb every possible institution into either the new state system or into the Sandinista Front, to incorporate all the existing workers' organizations, cooperatives, trade unions, and political parties into a pyramidal "people's democracy" of mass participation under Sandinista control. They tried to establish an ideological orientation toward Cuban-like ideals (for instance, by using Cuban teachers and East German materials in the grand literacy program of the early years, while rejecting Costa Rican teachers who were eager to participate). They tried to impose their own church faction, the so-called Popular Church of the Poor, over the orthodox Catholic mainstream—all of this through methods of popular enthusiasm, honest persuasion, state coercion, mob control, defamation campaigns, and outright repression.

The result was a short period of stunned confusion on the part of everyone who had expected something more democratic from the overthrow of the Somozas. Then the Sandinistas discovered that one sector after another was no longer cooperating with the revolutionary junta. Of the five original junta members, Mrs. Chamorro and two guerrilla heroes went into opposition, leaving only Daniel Ortega and his eventual vice president, Sergio Ramírez.

In normal democratic circumstances, the discovery by the government that its program was less than wildly popular should not have provoked still graver problems. But in the case of the Sandinistas, one other crucial element played a role. As Tomás Borge, the Minister of the Interior, repeated early this year, "Sandinismo is Marxism applied to the reality of Nicaragua"—by which he meant, of course, the Marxism of Lenin and Fidel. Sandinismo is the kind of doctrine that Václav Havel had in mind when he wrote of the inability of Marxists to understand the "mechanisms of their own political influence, thus paradoxically making them precisely what they, as Marxists, so often suspect others of being—victims of 'false consciousness.' "

The Sandinistas, when they look in the mirror, have always seen the vanguard of the people, the highest expression of the workers and the campesinos; and when they look at their opponents, they have always seen the enemies of the people and the representatives of the oligarchic past. In accord with their pluralist commitments from 1979, the Sandinistas steadfastly specified that opposition groups would retain the right to exist in a Sandinista Nicaragua. Yet they never granted these groups a moral legitimacy. The groups could exist, thanks to Sandinista forbearance, but they were never supposed to mount a serious opposition.

Anytime that non-Sandinista movements or institutions threatened to become sufficiently active to influence events, the Sandinistas' first instinct was to denounce them as foes of the revolution. The Miskito Indians of the east coast who rejected centralization, the northern campesinos who rejected state agriculture, the Catholic hierarchy with their following among the poor who rejected the Sandinista-dominated church faction, the right-wing and left-wing trade unionists who struggled for trade union autonomy, the small right-wing and left-wing political parties that declined to merge with the Sandinista Front, the market women who carried canastas of nonstate tangerines into hungry Managua, the staff at *La Prensa* who published the country's most popular newspaper—all found themselves beyond the pale of Sandinista acceptability. And the vanguard of the people never noticed that the list of "CIA agents," "oligarchic elements," "Somocista National Guards," and "agents of imperialism" gradually came to resemble an entity that could

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only be described, except by the Sandinistas, as "the people."

Why didn't the Sandinistas back off and re-create at least some aspect of the original revolutionary coalition? They tried. But their backing off was always partial and begrudging. How could it not be, when the Sandinistas honestly imagined themselves to be the leaders of the vast Nicaraguan majority? In this last election, the prospect that Sandinismo might end up winning less than a majority seems never to have crossed their minds. Most of the top commandantes didn't even bother to run for the National Assembly, so certain were they of maintaining their government portfolios (or party posts in a party-state).

The result was the biggest incongruity of all. The Sandinistas dominated Nicaragua for ten years, but the more they dominated, the less they controlled. The Sandinistas pointed in the direction of state modernization and a proletarianized party-led egalitarianism, and the people silently trudged the other way, as if determined to undermine every scheme, even the commendable schemes, that emanated from the Ministry of Planning. The black market grew. The professional and managerial class (followed by poorer people) fled to Costa Rica and the United States. The workday quietly diminished. Perhaps if the Sandinistas had cracked down a lot harder, things would have gone a little smoother. But the Sandinistas never had a Stalinist vocation, and in any case, every time they did crack down, which was often enough, the effects went from bad to worse.

The grimmest consequences of all occurred among the primitive campesinos of certain areas in the north, Jinotega, Chontales, and Boaco. The Sandinistas ordered the campesinos to buy and sell through the state at disastrous prices and to join the Sandinista militia and other institutions, and a portion of the campesinos not only refused but ran away to the mountains to join the contras. The Sandinistas called the contras a tiny mercenary force of U.S. agents, enemies of the people. But in these remote hill regions, the contras, misled and deceived and exploited though they were by the CIA, did not take up arms for mercenary reasons. They were, as Sergio Ramírez has recognized, a Nicaraguan Vendée, though in some cases they weren't even right-wing. It's a little-known fact, but some of the first contras had originally been Sandinista guerrillas themselves. The local legitimacy of these contras can now be seen from the election results in rustic towns like Siuna and La Rosita, which voted anti-Sandinista in spite of having been the sites of grisly contra atrocities.

The Sandinistas let themselves be carried away by their own grand and colorful mythology—and a myth, as Cyrano de Bergerac says, is a sort of a truth that is also a sort of a lie. In Sandinista myth making, the lies ultimately got the upper hand. When the commandantes walked to the mike to address the chanting multitude, they said: At least we have forged a national independence!' Which was sort of a truth but mostly sort of a lie, given that the people who sweltered in the sun listening to the fiery speeches did not feel so independent.

Observers who failed to notice the steady decline in Sandinista popularity have tended to say in the aftermath of last February's election that Nicaraguans voted their stomachs, not their hearts. Or else that people voted for Chamorro—but never intended for her to win. Or voted for Chamorro in a mad whim that instantly they regretted. Those explanations are, in my view, further examples of "false consciousness."

There are of course people who still love the Sandinistas—people who honestly agree with them, the families of leaders, the people who are loyal to the Sandinista cult of the martyrs, people who have undergone too much in the name of Sandinismo to give it up now. Some of the campesinos who have won land titles will remain loyal. The Sandinista small farmers and ranchers' association is well regarded. Naturally the Front has a strong base among the more privileged managers and administrators in the state sector or the state-dependent sector and among army officers (though a shocking percentage at some of the army bases voted for Chamorro's coalition). The Sandinistas have a quality of relative modernity that none of the opposition groups can claim and that exercises an attraction for the more forward-thinking and secular university students, who always did

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make up the core of Sandinista support. The intelligentsia is Sandinista.

All in all the Sandinista vote reached 40.8 percent—though that figure surely overstates the reality. During the 1989 Polish elections, emigrés were allowed to vote from abroad. Nicaragua's emigrés of the last ten years account for between 15 and 20 percent of the entire population, who, if they had enjoyed a similar right, would have lowered the Sandinista percentage to the middle thirties (the overwhelming emigré opinion detests the Sandinistas).

The campaign was accompanied by a steady drizzle of Sandinista threats and pressures. Sandinista mobs played an active role in the early months. After the invasion of Panama, General Humberto Ortega said that, in case of a similar invasion of Nicaragua, treasonable "elements" would be executed. Everyone knew that the elements in question were, of course, the supporters of UNO. Local death threats against UNO supporters were a constant. There were threats of expropriation—even a threat from Daniel Ortega to expropriate Violeta Chamorro's home after the election, which ordinary people must have taken as a threat to them as well. None of these threats became severe enough to produce an international outcry, but neither did they let up. They may have dissuaded many people from voting for Chamorro.

Will the Sandinistas be able to mobilize their significant remaining social base for progressive goals in the future? Will they support the useful projects that the Chamorro government may undertake, or will they continue to regard any force but their own as illegitimate? Will the Sandinistas abandon their military like vertical organization and the idea of bringing all of society into it, as some of the East Bloc communists have done? Will they have public conventions and publicly acknowledged factions? Will the rank and file be given the chance to elect party leaders? That has never occurred in the history of the Sandinista Front.

Undoubtedly the external pressures to go in democratic directions are considerable right now, and undoubtedly many Sandinistas agree. Democratic instincts have never been absent from the Front. One sign of that during the election, virtually unnoticed in the American press, was the distant but notable third-place finish of a left-wing splinter candidate, Moisés Hassán, one of the guerrilla heroes who served in the original revolutionary junta and who was for several years the mayor of Managua. Hassán has offered articulate criticisms of Sandinista self-deception.

His splinter movement is unlikely to grow into a powerful party, but the fact of finishing third must mean that significant numbers of Sandinista supporters who would never consider voting for Violeta Chamorro nonetheless wanted to protest the orientation of the Front. And what will happen to the Front when large numbers of Sandinista stalwarts who have been studying in the Soviet Union and Eastern Europe return to Nicaragua? These young people may bring back a different sort of education than they were intended to receive. Democratic instincts among the Sandinistas may end up being reinforced.

Does the turn against Sandinismo meanwhile signal the end or the defeat of the Nicaraguan revolution? If the revolution is defined along the lines of Third World Marxist national liberation, defeat appears to be at hand. But the Nicaraguan revolution has all along followed another course, hidden beneath the political struggles of the different parties. Ever since the overthrow of Somoza, the poor have undertaken what can be described as large-scale programs of their own—above all, a mass seizure of property.

From the start of the revolution, campesinos set out to take land. They did this at first by occupying the Somocista haciendas, even without Sandinista backing. When the Sandinistas organized state farms and seminationalized cooperatives, the campesinos struggled against these new rulers, too—sometimes by protesting from within the Sandinista system (supported by the small farmers and ranchers' association), sometimes by going over to the contras. Later still, when the Front made a well-advised turn away from state agriculture,

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the campesinos continued to struggle for land, this time with the blessings of the Front.

Some of the landowners who for good or bad reasons have lost property to Sandinista expropriations will now try to get their lands returned, which will lead to nasty fights. But whatever the fate of these disputes under Chamorro's government, a massive agrarian reform, the largest in Latin America, remains a stubborn fact, unlikely to disappear. The countryside in Nicaragua has changed shape.

A similar grass-roots democratization of property has been going on in the cities, though in ways that tend to be economically unproductive. The growth of shanty towns combined with the rise of the black market (which the Sandinistas first tried to suppress, then were forced to legalize or at least tolerate) has meant the development of thousands of new tiny businesses—wretched peddler-sized enterprises, which by themselves will never generate wealth. Yet these enterprises of the so-called marginal sector do represent a further distribution of economic power. As the economist Medal has observed, a humble class of traders has been emerging from the unofficial peddler stalls and the backroom dealings of the black market—people who may not be so poor as they seem and who may, in fact, be taking the first steps toward a modest accumulation of capital.

It is tragic that Sandinista policies ended up in bitter conflict with these movements of very poor people. The campesinos, artisans, and traders have always needed cooperative institutions and a friendly government to make their tiny enterprises efficient. The possibility of endowing at least some of these movements with a socialist ethic, which was undeniable at the start of the revolution, has been lost in large measure; the word "socialism" itself, which people esteemed ten years ago, has taken on some of the odor that the Somozas managed to give to the word "capitalism."

Even so, the energy that led impoverished campesinos to seize their own farms or to come to the city and go into some sort of tiny business, the dynamism that led other people to flee to Costa Rica and the United States and to send back hundreds of millions of dollars—this energy remains. February's election is a dramatic instance. To vote against the Sandinista Front in spite of every threat, to sustain a belief in opposition groups that had been made to appear for ten years as impotent foolish agents of an enemy country, to hold on to a sense of a non-Sandinista Nicaraguan reality that even most foreign reporters were unable to perceive—all this reveals a considerable ability to resist domination from above.

The election of a government whose top figures are committed to democratic rights is in itself a step forward for the real revolution, the revolution of the poor. How that new government will perform, whether it will favor capital at the expense of everything else, whether it will control corruption, whether it will be able to cope with dangerous contra bands in the remote districts and with a Sandinista bureaucracy—all that is impossible to predict. The circle around Chamorro contains some high-minded individuals with an orientation to the democratic left, but also some parties and figures from the anti-Somocista right. Chamorro herself is not a powerful individual, or even a healthy one. The Chamorro family (prominent among the Sandinistas, too) does not exactly represent a break from Nicaraguan tradition.

The central point nonetheless remains that masses of poor people have somehow not yet lost their own initiative. In the aftermath of the election, a writer for the *L.A. Weekly,* Anthony Palazzo, reporting from a small Atlantic coast town, asked the innkeeper about Chamorro, and the innkeeper replied: "We Nicaraguans love to fight. We fought to get Somoza out and we fought to get the Sandinistas out. And if we don't like her, we'll push her out too." That has a Nicaraguan timbre to it.

The revolution in that country is an authentic social revolution, not merely a political one. The revolution is no longer young. But neither is it over. □

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Roy Medvedev and Giulietto Chiesa

IN A TIME OF CHANGE

Some Glimpses into Recent Soviet Events

We are pleased to print below a chapter from Time of Change, *by Roy Medvedev and Giulietto Chiesa (translated from the Italian by Michael Moore), a richly detailed account of the Gorbachev years in the Soviet Union. Medvedev is, of course, the distinguished Soviet historian, author of* Let History Judge, *a scathing account of Stalinism, and now a member of the Soviet parliament. Chiesa has served as Moscow correspondent for* L'Unita, *the daily paper of the Italian Communist party (now changing its name; see Joanne Barkan's article, p. 297). This chapter appears with the kind permission of Pantheon Books.*—EDS.

G.C. Could you comment on the liberation of Andrei Sakharov from his Gorky exile.

R.M. Many people had been awaiting that decision; yet it still came as a surprise to most of us. As recently as the spring of 1986, after Yelena Bonner's return from the United States, a more rigid isolation was imposed on Andrei Dmitrievich. I think that Gorbachev had raised the problem of Sakharov's return to Moscow earlier than this. In fact, the new policy of *glasnost* had lessened the bitterness of Sakharov's conflict with the previous party leadership. The political price the Kremlin was paying for Sakharov's internal exile was clearly too high and no longer justifiable. The USSR's Academy of Sciences was boycotted by all the most important American and West European scientific associations. Sakharov had become a symbol, and no one could believe Gorbachev's democratic intentions as long as Sakharov remained in exile. However, as you can imagine, in the Politburo there were hesitations and even resistance. I believe that this development was hastened by the death of Anatoli Marchenko* in the Chistopol prison. Sakharov and his wife were not in good health. If anything happened to them while they were still in exile, the reputation of the new Soviet leader would be irreparably stained. For the moment, I cannot stop to consider Marchenko's plight. The Sakharovs were close to him and to his wife, Larisa Bogoraz. Marchenko's death was not due just to the deprivations he had suffered in the labor camp, but allegedly to the cruel violence of his investigators in early 1986. This was immediately followed by a rapid series of events. On 14 December a team of technicians installed a telephone in Sakharov's apartment. On 15 December the guards were removed from around his house. On 16 December Gorbachev telephones Sakharov personally to inform him that his exile was over and that his wife Yelena's five-year sentence had been pardoned. Another day went by and Yuri Marchuk, the president of the Academy of Sciences, arrived in Gorky to discuss Sakharov's return to work in Moscow's scientific community. Sakharov came back on 23 December, and was received at the Yaroslavsky train station by more than two hundred foreign correspondents. His first interview with an American television correspondent was actually broadcast to the United States from the Ostankino studios.

But Sakharov's release also had a huge impact on domestic life. Over a period of two

* Marchenko (1938–86) was active in the human rights movement in the 1960s and 1970s. First arrested in 1958, he spent most of his adult life in prison, camps, and exile. He describes his experiences in *My Testimony* (1969) and *From Tarusa to Siberia* (1980).

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to three months, more than two hundred political prisoners were released, pardoned, and given amnesty, many of whom were well known abroad and among the intelligentsia. Since then each of the ex-prisoners has taken different stances. Sakharov immediately announced his support for *glasnost* and democratization. He criticized Reagan's policy on the Strategic Defense Initiative; he had opposed the SDI from the beginning, and made it known. At the same time, he called for the release of all political prisoners and the withdrawal of Soviet troops from Afghanistan. His position on these subjects had also long been well known. Sakharov took an active part in the international forum held in Moscow in February 1987; he spoke three times to criticize Star Wars. His participation in public life grew quickly, and not only through articles and interviews. He took part in a public discussion on nuclear reactors, proposing that they be built underground. I personally find this the most reasonable of the various proposals. Later on he became one of the founders of the International Fund for the Survival and Development of Humanity, and as such met with Gorbachev. But at the same time, he continued to work as a theoretical physicist and as an astrophysicist, holding seminars at the Academy of Sciences. The dissidents and émigrés reacted differently to his conduct. There were even those who called Sakharov a "traitor"—a shameful accusation. Even in the past Sakharov had never declared himself an organizer of the dissidents; he always spoke for himself. Yet this is precisely what allowed him to win an important moral and political victory for all of us. His victory helped to change the political atmosphere in the Soviet Union, as well as to score an important success for Mikhail Gorbachev's politics and prestige. Sakharov's release made a return to the past even less likely: this was the most important fact.

G.C. December 1986 was full of events. The eightieth anniversary of Brezhnev's birth was "celebrated" with an article in *Pravda* that was in truth not at all celebratory. In December too a new series of laws on emigration was approved. In the West discussions raged over the meaning of this new measure; many considered it a step backward, while others considered it a progressive move. Still others wrote that it favored only the emigration of Jews, which in fact grew noticeably during 1987. To me this period instead seems to mark the beginning of a considerable opening toward freedom of transit for Soviet citizens.

R.M. The article on the eightieth anniversary of Brezhnev's birth was definitely a further step in the criticism of the past. Attempts at forming a cult of Brezhnev failed to penetrate the mass consciousness. Even before his death people judged him harshly—only the officials continued to praise him, but their only motivation was career concerns. The new rules on entering and leaving the country that took effect on 1 January 1987 eliminated numerous previous limitations. For example, a Soviet citizen living abroad used to be permitted to come back to the USSR to visit his relatives only once a year—an absurd law. Moreover, the previous rules applied only to the "closest" relatives—parents and their children, brothers and sisters. But grandparents and cousins were not considered close relatives. The new change was significant. Not only could you return to the USSR more than once a year, without limitations, but you could also be invited by distant relatives. Finally, you could obtain a visa to go abroad, even for tourism, with the invitation of a simple acquaintance.

G.C. At the same time, however, a new restrictive clause was introduced that prevented a foreigner with a tourist visa from applying to marry a Soviet citizen.

R.M. I am not familiar with this rule. Often new instructions and legislative bills are published only in specialized periodicals, and few people know of their existence. I learned of the new rules on freedom of transit only by reading about them in *Golos Rodini* [*Voice of the Homeland*], a newspaper for former Soviet citizens that is distributed abroad.

G.C. What were Gorbachev's proposals for reforming the way that political and economic cadres were elected?

R.M. Gorbachev's proposals restored the system for electing party leaders that had existed in the 1920s but had been canceled by Stalin. The facts would prove that this new

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situation would make life difficult for many officials in the intermediate and lower nomenklatura, who had already been upset by the waves of changes both before and after the Twenty-seventh Congress. Gorbachev also proposed putting an end to the system of having only one candidate in the elections for the soviets, elections that had been discredited for having no "possibilities of choice." These were innovative and welcome proposals, but still did not constitute a revolution. The same could be said about the labor collectives' elections of managers at every level of their enterprises. This represented an important extension of democracy to the workplace. But the forms are one thing, the contents another. The electoral system could be good in theory but end up being terrible in practice. For example, it is known that kolkhoz chairmen have always been elected at the general meetings of members. Yet it is no secret that almost everywhere these elections were pure formalities, and everything had already been decided beforehand in the office of the local first secretary. Equally pro forma were the elections of department heads at institutes of higher learning, as well as the posts of president and vice president of the USSR's Academy of Sciences.

Another important proposal that the plenum finally approved was one to announce an All-Union Conference on Party Organization at the end of June 1988. Stalin had ended the tradition of holding these intermediate conferences with limited powers in the interval between congresses with broad powers and of renewing the membership of the ruling bodies. There had been numerous conferences and congresses in the 1920s, but in the twenty-three years after 1931, one can count only three party congresses and one conference, the eighteenth, held in March 1941.

G.C. Could you talk about Tenqiz Abuladze's film *Repentance*?

R.M. Initially, the director himself brought four copies of the film to Moscow. The film was shown only at the Domkino [Cinema Union Building] or at individual clubs. But many of the intelligentsia saw it. It's a very strong antidictatorial, antitotalitarian, anti-Stalinist film. The audience watched it in shock, in tears. It seemed impossible that the film could be circulated to the greater public.

G.C. In Georgia they had already shown it on television.

R.M. It had already been at the Georgia cinemas in the summer of 1986. In the fall it went on television at the explicit direction of the local party, with the support of Shevardnadze. The film caused a sensation in Georgia, where there was still a true Stalinist cult, especially in the villages. *Repentance* had had a troubled history. It had been shot a few years earlier, but it was immediately blocked by the censors. Attempts were made to destroy the film. You have to remember that in the USSR we have individual spheres of local autonomy. So a film shown at the Moscow theaters could be blocked in the Ukraine, as happened to the satiric film *Garazh* [*The Garage*] by Eldar Ryazanov. *Repentance,* however, was authorized for general release in Moscow and Leningrad at the end of January and had an exceptional public success. Equally huge was the success of the feature film *Legko Li Byt Molodym?* [*Is It Easy to Be Young?*] by the Latvian director Yuri Podnieks. Yet there had not been many good films made recently.

In literature, by contrast, there was a huge "reserve." The first 1987 issues of our "thick" literary magazines began to publish anti-Stalinist works such as Anna Akhmatova's *Requiem* and Aleksandr Tvardovsky's *Po Pravu Pamyati* [*By Right of Memory*]. Neither poem had previously seen the light of day, even though they had been written in the 1960s. Yuri Trifonov's novel *Ischeznoveniye* [*The Disappearance*] (on the repressions in the 1930s) and Anatoli Pristavkin's *I Nochevala Tuchka Zolotaya* [*And a Golden Cloud Spent the Night*] (on the deportation of the Moslems from the Northern Caucasus) gained widespread attention. The magazines in Moscow, Leningrad, and Rostov almost competed to publish ferociously critical novels and short stories by Vladimir Dudintsev, Daniil Granin, Vladimir Tendryakov, Sergei Antonov, and Boris Mozhayev. There were poems by Anatoli Zhigulin, Boris Chichibabin, Olga Berggolts, Boris Slutsky, and Nikolai Gumilyov. Works

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began to be published by deceased or émigré writers, such as Andrei Platonov, Georgi Ivanov, and Vyacheslav Khodasevich. But the main literary event of 1987 was the publication of Anatoli Rybakov's novel *Children of the Arbat*. The action takes place in 1933 and 1934, and for the first time we can read a broad and truthful fresco of the life of the country and of the Kremlin during a period of dramatic changes. For the first time in our literature the figure of Stalin was placed in the center of a novel. Without stressing the horrors, the writer created a psychologically exact and historically reliable portrait of Stalin preparing what would later be called the Great Terror.

The plight of Rybakov's novel showed how deep the 1987 changes were. The first part of the novel had already been finished in the mid-1960s. Aleksandr Tvardovsky had announced its publication in *Novy Mir*. But it never happened. The "conservative turnabout" was already underway, and there were even some who wanted to rehabilitate Stalin. Rybakov did not give up. He kept working, and in the 1970s he finished the second and third parts of his great novel. Rybakov is a well-known writer in the USSR, the author of splendid books for young people, and honored by state prizes. More than a decade ago his novel *Tyazholy Pesok* [*Heavy Sand*], on the plight of the Jews in Nazi-occupied territories, was published both at home and abroad. It was very difficult to be silent about his work, and many of us read the manuscript for *Children of the Arbat*. Yet the novel could not be published in 1985 or 1986.

G.C. Even though more attempts were made in 1986.

R.M. Exactly, The magazine *Druzhba Naradov* refused to publish the novel for the second time in its history. The editor-in-chief explained that the novel was very good, but the figure of Stalin as portrayed was totally unacceptable. In the fall of that year a good-sized group of writers sent a letter to the Central Committee firmly requesting that the previous decisions be reconsidered and that the novel be published. Those signing included Yevgeni Yevtushenko, Fasil Iskander, Andrei Voznesensky, Veniamin Kaverin, Bulat Okudzhava, Sergei Antonov, and many others. The request was supported by Aleksandr Yakovlev, at that time secretary of the Central Committee, and by other officials of the partially renewed party and apparats. The novel was read by Gorbachev's personal assistants, and the decision was finally made to publish it, but with a few small cuts. In April the first installment was published by none other than *Druzhba Narodov*, where in the meantime the editor-in-chief had been replaced.

G.C. How did the magazines and their editors change in these months?

R.M. *Druzhba Narodov* changed its policies and as a result changed its reputation without substantially modifying its editorial staff. Many cultural figures considered cautious or even conservative lined up behind *perestroika*. Albert Belyayev is a clear example; for years he headed the literary sector of the Central Committee, where he was considered a very conservative functionary (and no less conservative a writer). When he left the apparat and was appointed editor-in-chief of *Sovetskaya Kultura*, he turned the newspaper into a leading publication for *perestroika*, for criticism of Stalin, and for support of cultural pluralism. Yet Belyayev was the same one who, obviously on Suslov's orders, arranged the 1970 firing of Tvardovsky from his position as editor-in-chief of *Novy Mir*.

Completely different was the behavior of Anatoli Sofronov, editor-in-chief of the weekly *Ogonyok* since 1953. He had always been one of the most assiduous conservatives and was justly considered an outright Stalinist. Sofronov is a poet and playwright, even if no one has produced his plays for a long time and everyone has forgotten his poetry. Under his direction the readership of *Ogonyok* had plummeted, and 50 percent of its copies were sent to the pulping plant or sold at one-half or one-fourth the cover price. Sofronov had no intention of "restructuring," and therefore had to be replaced. He asked for an audience with Gorbachev, but was turned down. The new editor-in-chief, Vitali Korotich, and the new editorial staff turned *Ogonyok* into one of the most interesting magazines. Now it was almost impossible to buy it at the newsstands, even

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though more copies were printed. The editorial staff of *Znamya* was also changed. Vladimir Lakshin, who in my opinion is out best literary critic, was appointed first deputy editor. I remember because his appointment was surrounded by a private battle. His candidacy was eliminated twice, and the case was only resolved when [editor-in-chief] Baklanov threatened to quit unless he was joined by Lakshin.

From January on, the mass media had an enormous impact on public opinion. The proliferation of thousands of informal groups throughout the country was also the result of a new orientation in the central newspapers. The authority of some magazines grew so rapidly that it caught even the political leadership by surprise. This is how changing the head of a magazine like *Ogonyok* or *Moskovskiye Novesti* became more important than replacing the first secretary of the Kursk or Orel region. But we should mention that after the January plenum the publication of important articles and essays, as well as the showing of bitterly critical films, came out of an extended and often dramatic struggle. Each of these events is a story in itself. We've already spoken about *Repentance* and *Children of the Arbat* but what about Tvardovsky's *Po Pravu Pamyati* or Akhmatova's *Requiem,* which appeared only after twenty years of struggles?

Western observers often fail to understand why major political leaders follow the destiny of a literary work so closely. One enlightening example: Aleksandr Bek's novel *Novoye Naznacheniye* [*The New Appointment*]. Bek was one of our best writers. His *Volokolamskoye Shosse* [*The Volokolamsky Highway*] is known all over the world and is considered one of the best novels about World War II. *Novoye Naznacheniye* was written in the early 1960s. The protagonist was a people's commissar in the Stalin era. The prototype that inspired Bek was Ivan Tevosyan, the people's commissar for the steel industry. One of the main characters was Stalin, whose personality Bek describes with extraordinary accuracy. Tvardovsky enthusiastically accepted the novel. *Novy Mir* already had the printer's galleys ready. But Tevosyan's family rebelled against the publication. The president of the Council of Ministers, Aleksei Kosygin, who had himself been a people's commissar in Stalin's time, stepped in. Almost the entire Writers' Union then defended the novel and the author's right to choose his own prototypes, especially considering that the protagonist was named Onisimov and not Tevosyan. The issue was confronted repeatedly by the leadership, but in the end the novel was not published in the USSR. Instead, it was published abroad in Russian. Aleksandr Bek saw the foreign edition only three days before his death in 1972. The novel was published in 1987 by *Znamya* and in the popular series *Roman Gazeta*. Almost all the members of the Politburo supported its publication, including Yegor Ligachev, whom many had superficially considered one of the most conservative members of the party leadership.

G.C. Superficially?

R.M. At least in that phase. In his official speech on 6 November 1986 he had strongly defended *perestroika*, and I believe he was not just limiting himself to expressing the Politburo's point of view: he was speaking in his own name. Later on I believe Ligachev manifested his limits: inability to understand the rapid changes that were taking place, difficulty in learning from developments in the situation. Ligachev has slower reflexes than Gorbachev and his collaborators.

G.C. He had a more "traditional" training.

R.M. Yes, we could say that. Ligachev had been an energetic supporter of the fight against corruption, and defended *perestroika* and economic reform. He made a name for himself in the fight against alcoholism and against the so-called "unearned income." You could say that he was responsible for some of the most negative forays in this area. But in 1986 Ligachev supported all of the most important cultural events: Mikhail Shatrov's plays *Diktatura Sovesti* [*The Dictatorship of Conscience*] and *Serebryanaya Svadba* [*Silver Wedding*], and the film *Repentance*. By contrast, in 1987 when cultural developments sped up, Ligachev clearly showed himself more inclined to support the cautious *Pravda* than *Ogonyok*.

G.C. Nineteen eighty-seven is also the year in which the question of "rehabilitations" was

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reopened. Why? And what forms did this process take in the courts and in the party?

R.M. The wave of rehabilitations began with a leap in the quality of the criticism of Stalin and Stalinism effected at the January plenum. It would grow to its highest point in the early months of 1988, with the reinvestigation of the trials of Nikolai Bukharin and of Zinovi Kamenev, Aleksandr Zinoviev, Grigori Pyatakov, Karl Radek, et al. This showed once again how incomplete and inadequate even the Twentieth and Twenty-Second Congresses' denunciations of Stalin's crimes had been. Later we will get back to the problems of revising Soviet and party history. Here instead I would like to examine the question of rehabilitation from a historical perspective, and partly from a legal perspective. These problems have occupied a prominent position in the life of our society. Every wave of rehabilitations has been preceded by a bitter struggle, just as the preceding waves of illegal repressions were themselves expressions of violent cycles of party in-fighting. The issue closely concerns many Soviet citizens.

My father, a commissar in the Red Army, a political official, and a teacher of philosophy at the Military Academy, was arrested in 1938 and died on the golden sands of the Kolyma River in 1941. This was the tragedy that changed the course of my life and my ideas about society. In 1954 my father was rehabilitated by the Supreme Court of the USSR because of the "inexistence of a crime." In 1956 he was also rehabilitated by the party and posthumously readmitted into its ranks. Therefore, my brother, Zhores, and I were no longer sons of an "enemy of the people." However, the next twenty years were certainly not years of justice. Because of my manuscript on Stalinism (which still hasn't been published), I was expelled from the party and lost the right to practice my profession in Soviet institutions. My brother was illegally tried and deprived of Soviet citizenship for having fought against Trofim Lysenko's abuses and for democracy in the sciences. Now he lives and works in London. Together we fight as hard as we can for his rehabilitation, and together we are working to effect a change in the USSR's political and social situation.

Many examples affect me closely. Today there are millions of Soviets interested in rehabilitation for countless reasons, but I think that the crucial point is more political than legal. On my desk lies a copy of the *Legal Encyclopedia* recently published in the USSR. You can find entries for "amnesty," "pardons," "cessation," and "appeals," but there is nothing under "rehabilitation"—either here or in the huge volume of comments on the civil and penal codes of the Russian Federal Republic. In the *Great Soviet Encyclopedia* you can find "rehabilitation," but not as a legal term. Obviously, our legal handbooks don't even contain the terms "enemy of the people," "saboteur," and "rootless cosmopolitan"—all words that unfortunately weighed heavily on people's lives. In today's encyclopedias you will definitely not find the term *kulak,* never mind *podkulachnik,* although these labels were the reasons millions of peasants were deported or died.

G.C. Many people believe that the Twentieth Congress began the rehabilitations and de-Stalinization. In reality, it wasn't quite that way. The process began before the congress, almost immediately after Stalin's death.

R.M. It is true that de-Stalinization started immediately after Stalin's death. The first rehabilitations began in those same days. For example, Polina Zhemchuzhina, Molotov's wife, had been arrested and sentenced in 1949; she was released the day of Stalin's funeral. Almost every member of the Politburo had relatives, friends, and collaborators in jail; these were the first to be rehabilitated, including Khrushchev's daughter-in-law, Lazar Kaganovich's brother, Otto Kuusinen's wife and son, and the wife of the army general Andrei Khrulyov. Marshal Georgi Zhukov, who hadn't been arrested but was "under investigation" at the headquarters of the Urals military recruitment center, was exonerated of all charges. The relatives of generals and marshals, ministers, and members of the Central Committee began to return from the camps. The Kremlin doctors' group was rehabilitated, after their January 1953 arrest on

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charges of being "spies for the United States and Israel."

This was a direct provocation against Beria, who rapidly succeeded in procuring the rehabilitation of Viktor Abakumov and Rukhadze, his collaborators at the Ministry for State Security (MGB). But their freedom was short-lived: both were rearrested, this time along with Beria himself. The first year after the dictator's death saw the posthumous rehabilitation of Nikolai Voznesensky and Aleksis Kuznetsov, former members of the Politburo, along with a good many of the Leningrad party officials who had been suppressed in 1949–50 during the so-called "Leningrad affair." Famous actors, directors, heroes of the Second World War, and many others were also rehabilitated.

Gradually, the limits on rehabilitation were lifted. According to data I have available, up to the beginning of 1956, that is, before the Twentieth Congress, from twelve to fifteen thousand people were rehabilitated. Approximately twenty thousand others were posthumously rehabilitated; their relatives each received a certificate along with two months' wages as a form of compensation. However, I must specify that the rehabilitations did not begin after Stalin's death—there were also some while he was still alive. Every "wave" of repression that had taken place since the late 1920s had been accompanied by partial rehabilitations. For example, it is well known that between 1929 and 1933 millions of peasants were accused of being *kulaks* or *podkulachniks* and deported to the northern and far eastern regions. During the same years thousands of previously exiled peasant families were authorized to return to their native villages. There were various reasons, from the interest of relatives to the protests of the exiles themselves to later verifications by the authorities. But there was also a political calculation: the rehabilitation of a percentage of peasants who had been unjustly sentenced in a certain sense legitimized the acts of the powers and justified the even more ferocious repression of the *kulaks*.

Between 1928 and 1931 thousands of individuals were arrested on charges of "sabotage," "nationalism," and "counterrevolutionary activity." However, later on, a certain percentage of valuable specialists were released both as a result of the interventions of the organizations with which they worked and, in special cases, as a result of orders from Stalin himself. For example, the OGPU (Organization for State Political Leadership) had fabricated the case of a clandestine counterrevolutionary "government." The press had even printed its membership, in which the Ministry of Foreign Affairs was entrusted to the well-known historian and academician Tarle. Obviously, all of the "members" of this "government" were arrested. Who knows why, but Stalin was dissatisfied with the membership of this imaginary "counterrevolutionary government." The trial against the accused never took place, and Tarle, along with the other scientists, was able to return to work. Later on, Stalin sought consultation with Tarle on certain problems of history. Everyone knows how ferocious and large-scale the 1937 repressions were, but not everyone remembers that in January and February of 1938, after the Central Committee plenum, articles that harshly criticized the "slanderers" and "informers" appeared in the press. As a result, some party members who had already been arrested were released and even readmitted to the party. A few months later, starting in March 1938, a new wave of repressions began that sent two or three million new "enemies of the people" to the camps and prisons.

When Yezhov was dismissed as head of the NKVD (People's Commissariat for the Interior) and arrested, once again thousands of people were freed. In one sense these partial rehabilitations served the purpose of emphasizing Yezhov's responsibilities and of strengthening the faith of millions of men hit by the repression under the "just" guidance of Stalin and the new people's commissar, Lavrenti Beria. After the 1939–40 war between the Soviet Union and Finland—a war that demonstrated the military leaders' weaknesses—Stalin authorized the rehabilitation of tens of thousands of Red Army officials, many of whom later distinguished themselves in World War II. During the war A. Tupolev was rehabilitated, along with a group of military planners. At the end of the war it was the turn of the scientist S. Korolyov, together with a group of researchers who later helped create the Soviet atomic bomb and atomic missiles.

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Some events are not so well known, such as two examples of mass rehabilitation that took place during World War II. The Red Army suffered huge losses in the first months of the war. When the German troops approached Moscow, Stalin gave the order to transfer many divisions from the Far East, which were stationed there in expectation of a Japanese attack. This weakened defenses against Japan. But Stalin had no other choice. In order to fill in the gaps in his defensive lines in the Far East, General I. Apanashenko, commander of the Far Eastern Front, drafted not only the inhabitants of those regions but also a number of the prisoners from the Kolyma and Siberian camps. This in fact represented their rehabilitation. General Apanashenko had been given a free hand directly by Stalin in 1941–42, and he ignored the NKVD's protests. In order to appreciate the significance of this rehabilitation, just compare the data. More than twenty divisions were transferred from the Far Eastern Front to the German Front in 1941–42. When Hitler invited the Japanese leaders to take advantage of the troop withdrawals on that front and unleash an attack from the east, the Japanese replied that the information supplied by their secret services indicated no weakening in the defenses: all of the Soviet divisions had kept and even reinforced their positions. Despite all this, General Apanashenko is almost unknown in the Soviet Union.

There is another example of mass rehabilitation. In the summer of 1942 practically all of the men from Russia, the Caucasus, Central Asia, and Kazakhstan were in the army. However, in the Urals, in Siberia, in the Far East, and in northern Kazakhstan, there were many "special settlements," where the families of the so-called *kulaks* lived. Their children were not drafted, and they were not to be trusted—until 1942, when Stalin gave the order to conscript them too. This led to their rehabilitation after the invalids and wounded began to return from the front back to the "special settlements." Many had earned medals and honors, and were no longer willing to submit to the orders of the *spetsposeleny* [special settlement] commanders. Immediately after the end of the war almost all the inhabitants of these "special" villages were granted equal rights with residents of "normal" villages.

G.C. Was there a formal procedures for rehabilitation? What was it?

R.M. There is no legal procedure for rehabilitation. It has taken place in different ways during the various political phases—and not by accident. Stalin's repressions were arbitrary, but the rehabilitations were equally so. The prisoner was called before an official of the NKVD, who informed him of his upcoming release and asked him to sign a declaration promising not to reveal what he had seen in the camps since it would be a "state secret." After which came a return to normal life. You can imagine the strangeness with which this all happened. This is the case of S. Kavtaradze, a noted Bolshevik from the Caucasus who had held important posts in the Supreme Court of the USSR and in the Attorney General's Office. He was arrested in 1936 and sentenced to a long prison term. In 1944 we suddenly read that he had been appointed deputy minister of foreign affairs for the USSR. From 1945 to 1952 he served as Soviet ambassador to Rumania. I don't know on what basis Stalin decided to free Kavtaradze. In many cases it was simply the tyrant's whim: "If I want, I'll sentence him; if not, I'll pardon him." Another equally unique example: In 1942 there was a danger that epidemics would break out in the overcrowded cities of the Urals and Siberia. But the country's epidemiological services had also been dismantled by the repressions, so it was decided to free many specialists, the most famous of whom was P. Zdradovsky.They brought him back to Moscow, but they forgot to rehabilitate him. He spent his nights in the Butirskaya prison and in the mornings he was taken to his job at the Ministry of Health. Zdradovsky took part in meetings with the minister while the NKVD guard waited for him outside the office door.

G.C. After the Twentieth Congress the situation changed substantially. How many people were rehabilitated then? How many came back home from the camps?

R.M. Let me take a short step back. When the first rehabilitations began under Khrushchev, there was immediate opposition inside the Politburo. Molotov, Kaganovich, and Kliment Voroshilov did not want millions of people to

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return from the concentration camps, nor did they appreciate the risk of a reexamination of the procedures that had led an even greater number of people to their deaths. This is why there was a fairly complex "procedure" from 1954 to 1956. Each "case" with all its related depositions and information had to be requested from the KGB prosecutor's offices; it was examined, checked and double-checked by special investigators; finally, it was sent to the Supreme Court of either a republic or of the USSR. Even for a party rehabilitation every "case" took one or two years. At this rate rehabilitation would have taken hundreds of years, since in 1955 there were no fewer than eight to ten million political prisoners in the camps.

After the Twentieth Congress the situation changed rapidly, and unrest grew in the camps. There were numerous uprisings in 1955. Millions of statements started arriving in government offices from the prisoners' families. This pressure from below was augmented by the pressure from Khrushchev, Anastas Mikoyan, and other leaders at the top. In this way new decisions were made concerning rehabilitation procedures. A committee to investigate Stalin's crimes had already been formed before the Twentieth Congress, and was initially presided over by Molotov. Later Nikolai Shchvernik became the head, even when it split into two groups: a political commission at the Central Committee and a work group. The first was made up of high-ranking leaders; the second was mainly functionaries from the Party Control Commission and from the central apparats. The first dealt only with the most important party and state leaders. These cases were considered part of history, so the entire truth had to be known about them. Dozens of people took part in the work group because there were thousands—no, millions—of cases to review. There were not only the living, still in the camps: there were also the dead. There was a discussion in the Federal Prosecutor's Office, where Rudenko was the chairman. There were divergent points of view. To Mikoyan's credit, he proposed that the rehabilitation procedures for "ordinary" prisoners be simplified. His proposal raised objections in judiciary circles, but Khrushchev supported it. Thus, a hundred commissions were created, one for every main camp, with the power to grant pardons and rehabilitations, a prerogative of the Presidium of the Supreme Soviet. The commissions consisted of three members: a representative of the Prosecutor's Office, a party official, and an ex-convict reinstated in the party. From the end of 1956 to the spring of 1957, they examined the personal files of every prisoner without exception—an enormous task. An acquaintance of mine who was on one of these "troikas" told me that they spent an average of ten minutes on each file. First of all, prisoners who had been sentenced for criticizing Stalin were automatically released, as were those who had already served their sentences (there were thousands of these in the camps).

G.C. In other words, a kind of "automatic persecution" had reigned.

R.M. Exactly. Once these two categories had been taken care of, they dealt with the rehabilitation of former party members. In these cases the files were carefully examined and the decision to rehabilitate was made only after an interview with the prisoner. Most were rehabilitated without reservations, the only exceptions being members of opposition groups—the so-called Trotskyites, the Bukharinists, and so on. They were immediately released, but not rehabilitated. Finally, an examination of all the remaining prisoners followed, which was also simple and quick. Those who had collaborated with the Germans as prison guards were not released. With regard to former prisoners of war, simple soldiers were immediately released and rehabilitated, while officers were released without rehabilitation. During this phase I think that about 80 percent of all political prisoner left the camps. There were no statistics, but the figure of three to four million is considered reliable. Of the dead, about 90 percent had been arrested in the 1930s and of course were already dead at the time of rehabilitation. These rehabilitations continued past 1957, until Khrushchev made his exit in 1964, and even afterward. In 1957, for example, marshals and generals who had been killed in the 1930s were rehabilitated: Mikhail Tukhachevsky, Vasili Blyukher, Aleksandr Yegorov, Iona Yakir, Jerome Ubo-

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revich, and so on. The same happened for famous party representatives such as Fyodor Raskolnikov, Nikolai Krestinsky, and many others. It is impossible to list them all. I would, however, like to add something. Posthumous rehabilitation only began when the relatives of the deceased applied for it. This was one of its more loathsome features. When a prisoner died in the camps, his files were transferred to a central office in the NKVD, archived under the heading "Keep Forever." They would only be exhumed on the request of a wife, a mother, or a child. A state with any self-respect would have gone through all the rehabilitations systematically, regardless of applications.

G.C. So how many people were rehabilitated during Khrushchev's time?

R.M. I think there were about eighteen million people, about ten million of whom were rehabilitated posthumously. But this figure includes other categories, and not just political prisoners. For example, it includes three million Moslems from the northern Caucasus: Chechens, Ingushi, and Kalmyks. Also two million Volga Germans. As I said, official statistics do not exist.

G.C. What happened after Khrushchev was ousted?

R.M. The mechanisms that had been activated continued to function, but more slowly. On Brezhnev's initiative, for example, the Uzbek party leaders who had been shot in 1937 were rehabilitated, like Kamil Ikramov and Faizullah Khodzhayev. The Crimean Tartars were legally rehabilitated only in 1967, although they were not allowed to return to their native land. The rehabilitations were interrupted in the 1970s, thereby excluding many innocent people who had taken part in various opposition and "deviant" groups in the 1920s, thousands of specialists and engineers who had been denounced in the years 1928–32 for "sabotage" and "members" of nonexistent parties created by the imaginations of Stalin, Genrikh Yagoda, and Andrei Vyshinsky.

G.C. Gorbachev reopened the rehabilitation process with his speech in honor of the seventieth anniversary of the October Revolution and the announcement that there was a special commission of the Politburo at work. Over the course of a few months, amid obvious difficulties, the trial proceedings of 1936, 1937, and 1938 were reviewed. The Supreme Court of the USSR publicly declared that the "right-wing Trotskyite bloc" had never existed, that the investigation and the trial had been fabricated and conducted with "inadmissible methods." In short, he acknowledged that the trials of Bukharin, Kamenev, Zinoviev, Pyatakov, Radek, et al. had been rigged.

R.M. The commission had to decide a huge number of cases. Bukharin, Pyatakov, Kamenev, Zinoviev, Radek, and Aleksei Rykov were fully rehabilitated in this new wave, but the problem of Trotsky remains open. Trotsky too was sentenced to death in absentia three times—and this sentence was carried out by a special group of the NKVD. I hope that we don't have to wait another twenty to thirty years for these decisions.

Justice must be rendered to many innocent people—the list of whom grew longer during the Brezhnev years. Something in this direction was done in 1987, but it was only a first step. A huge chapter must be opened up on prisoners of war. After the war, prisoners who had survived Hitler's camps (where about five million died) were subject to special investigations for "tendentiousness" in Stalin's concentration camps. Another unsolved problem is tied to our relations with Poland: I am referring to the eight to ten thousand officers in the Polish Army shot to death in Katyn. Hopefully, the historical truth will be reestablished in all of these cases.

But I would like to linger for another moment on the rehabilitation of Bukharin. After Khrushchev's report at the Twentieth Congress it was already clear to every thinking person that the trials in the 1930s had all been rigged. The Soviet press in fact stopped describing Bukharin, Rykov, and the others as "spies for the Western secret services," "saboteurs," or "enemies of the people." In a 1962 All-Union meeting of historians, Boris Ponomaryov, secretary of the Central Committee at that time, answered a question by saying, "Comrades, if you read the materials of the Twentieth and Twenty-second Congresses carefully, it will become clear to you that neither

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Bukharin, nor Zinoviev, nor Kamenev, nor Rykov was a spy or enemy of the people." A few copies of the proceedings of that meeting exist, and I have one in my library. But that statement could not count as a formal rehabilitation. Bukharin and the others were not readmitted to the party, and their relatives did not receive either moral or material compensation. Although they were among the most famous representatives of the party and of the October Revolution, no one could write and publish works about them. When ten years ago Bukharin's son wrote his letter to Enrico Berlinguer (the late secretary of the Italian Communist party) and the campaign for Bukharin's rehabilitation assumed an international character, the Soviet press maintained complete silence. In short, the fate of these men continued to be a "blank page" in Soviet history. It caused serious damage to our study of history.

G.C. Yet this new wave of rehabilitations is the result of a heated political battle. Why?

R.M. You can see the conflicts with the naked eye. At first, Bukharin's rehabilitation had been scheduled for late December 1987, but for unexplained reasons it was postponed to May 1988. Gorbachev insisted that a special session of the Supreme Court of the USSR be held at the beginning of February. This dealt an especially strong blow to Stalinism. And this was not just a blow to ideology—the rehabilitation of Bukharin served the debate underway on economic reform. A good share of the transformations planned by *perestroika* are in part a reproposal of the methods of the NEP [New Economic Program] for our own times. Resistance to the rehabilitation of Bukharin was also a sign of the resistance to *perestroika*.

G.C. In this respect, Gorbachev's speech for the seventieth anniversary of the October Revolution represented a compromise between two opposing objectives: to reevaluate the NEP but to justify the collectivization of the countryside. The ensuing debate has already greatly exceeded the bounds of this compromise.

R.M. The revision is unquestionably moving far beyond that point. The Twentieth Congress had dated Stalin's main crimes after 1934. Today this periodization has been soundly criticized in the fields of literature, political journalism, and, to some extent, history. A reality emerges from the novels of Mozhayev, Belov, and Antonov—and from many articles describing the situation in the 1920s—of an effective and rapid growth of agriculture between 1926 and 1928. The NEP brought about this effect by providing incentives for family farms and for every type of cooperative. The campaign in those years was not without its contradictions, but they did not necessarily have to be overcome through violence and a "second revolution." The huge potential of the Russian farmlands was just beginning to reveal itself, giving the country an abundance of produce it had never before seen. Instead, between 1929 and 1932 we witness a violent break with the natural processes of the farmlands, the destruction of the productive forces, the liquidation of the most efficient farm enterprises, and the wholesale slaughter of livestock and horses. At the same time, millions of peasant families were ruthlessly deported, being absurdly equated with the category of "rich farmers." Millions of poor and average peasants were persecuted or starved to death. Today most journalists contest the validity of the "dekulakization." Academician V. Tikhonov has proved that the increase in the number of rich farmers at the beginning of the century, and against which Lenin hurled himself so harshly (and not always justifiably), had already been halted in the years of the Civil War. Many of those rich farmers were frightened by the emergency confiscation of wheat, and had already abandoned the fields in 1927–28. In fact, many hardworking average farmers who had achieved relative comfort through their labors in the NEP years were defined as *kulaks* between 1929 and 1932. On the foundations of the NEP the country could have grown and developed much more efficiently not only in agriculture but in industry. The army would have had more cadres. I would like to add that in Germany the small farmer would not have been as terrorized as he was. It would have been very difficult for Hitler's party to triumph in 1933 if the fight between Germany's Communists and Social Democrats had not been set off by Stalin's orders. In short, a different line of conduct might have prevented World War II. □

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Shelby Steele

THE MEMORY OF ENEMIES

On the Black Experience in America

One of the most time-consuming things is to have an enemy.

E. B. White

It is only human to give our enemies a distinct territory in our memory, which is why we hear the buzz of summer's first mosquito with alarm. We think only fools don't remember their enemies, because remembering is preparedness. And, conversely, what we call preparedness is often really a readiness to remember the enemy, an openness to his memory-triggering buzz. Even today, changing planes in a southern airport, the sound of a white southern accent slips right past what I know about the "New South" and finds my memory of the Old South. Recently, in line to buy a newspaper at such an airport, I found myself carefully watching the white saleswoman whose accent was particularly thick. If she was anything less than gracious to me as the lone black in line, I knew my defenses would come alive. I would think she must be of the Old South at heart, no more than a carpetbagger in the new one. And how many others down here were like her, imposters in this public-relations bromide of a New South? If she put my change on the counter rather than in my hand, I'd have all the evidence I needed to close the case against her and the New South to boot.

I could condemn this woman, or at least be willing to condemn her and even her region, not because of her racial beliefs, which I didn't know, but because her accent had suddenly made her accountable to *my* voluminous and vivid memory of a racist South. Because of this accent and my northern lack of familiarity with it, I was not encountering the woman as much as my own memory of an extremely powerful and dreaded enemy—the Old South. A flood of emotional images accompanied the memory, constituted it, and I saw right through the woman as if into a screen of memory. Coolly I circled her with mistrust, ready for what I remembered. I thought I might take the offensive and let her glimpse the slightest disdain in the cut of my eyes. But, at the sight of this mistrustful black man, his eyes verging on disdain, might she not fall under the spell of her own enemy-memory and see before her an arrogant, hostile black against whom she must put up her own chilliness as a defense?

I think one of the heaviest weights that oppression leaves on the shoulders of its former victims is simply the memory of itself. This memory is a weight because it pulls the oppression forward out of history and into the present so that the former victim may see his world as much through the memory of his oppression as through his experience in the present. What makes this a weight is that the rememberer will gird himself against a larger and more formidable enemy than the one he is actually encountering. It was the intrusion of the enemy-memory that led me into an exaggerated and wasteful defensiveness with the saleswoman. I was willing to manufacture a little drama of one-upmanship, play it out, and then no doubt brood over it as though something was really at stake. Later I might recount it to my friends and thereby give this battle with memory even more solidity. The enemy-memory clamors to be made real, demands that we work at its realization. And in

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this working is its real heaviness, since scarce resources are lost in unnecessary defense. Fortunately I caught myself and did not show this woman any disdain. She sold me the newspaper, put three quarters change into my hand, and gave me the same abbreviated, management-encouraged smile she had given everyone else before me. These little battles with memory can also be deflating.

I believe that one of the greatest problems black Americans currently face—one of the greatest barriers to our development in society—is that our memory of oppression has such power, magnitude, depth, and nuance that it constantly drains our best resources into more defense than is strictly necessary. Between defense and development, guns and butter, the enemy-memory perpetuates a costly imbalance in the distribution of energies, thoughts, and actions. None of this is to say that the real enemy has entirely disappeared. Nor is it to suggest that we should forget our oppression, assuming this was even possible. It is only to say that our oppression has left us with a dangerously powerful memory of itself that can pull us into warlike defensiveness at a time when there is more opportunity for development than ever before.

The memory of any enemy is always a pull into the past, into a preparedness against what has already happened. Some of this is necessary. But when there is a vast lake of such memory—and I can think of no group with a more powerful collective memory of its enemy than black Americans—the irresistible pull into the past can render opportunities in the present all but invisible. The look is backward rather than forward, outward rather than inward, so that the possibilities for development—education, economic initiative, job training, and so on—are only seen out of the corner of the backward-looking eye. Thus, between 1976 and 1989 middle-income blacks have endured a drop in college enrollment of between 53 and 36 percent while white enrollment increased 3.6 percent. I don't suggest that the backward pull of memory fully accounts for a statistic this dramatic. But neither does it make sense to blame so profound a drop entirely on the shift in financial aid from grants to loans that occurred in the 1980s. White enrollment increased slightly under this same shift.

I think there are many factors at work in a statistic like this. One of them is a certain unseeing casualness toward opportunity that itself has many sources, one being a powerful collective memory that can skew the vision of blacks away from the self-interested exploitation of opportunity and into a reenactment of past victimization that confirms our exaggerated sense of the enemy but also undermines our advancement. Not only does the enemy-memory pull us backward, it also indirectly encourages us to remain victims so as to confirm the power of the enemy we remember and believe in. It asks that we duplicate our oppression so that our remembered sense of it might be validated. I think this has something to do with the fact that so many middle-income black students decline to be admitted to colleges that woo them with preferential admissions policies. And for black students who are admitted, the national dropout rate is near 70 percent. If this is nothing less than a flight from opportunity, it is also a flight into a remembered victimization, a position we are used to, and one that makes memory into reality.

I think the literary term "objective correlative" best describes the process by which our memory of the enemy pulls the past into the present. The white southern accent I heard in the airport is an example of an objective correlative—an objective event that by association evokes a particular emotion or set of emotions. It was the savvy, musical sound of this woman's accent—an utterly random event—that evoked in me an aggregate of troublesome racial emotions. The accent was a correlative to those emotions by virtue of association alone.

The black comedian Richard Pryor does a funny bit on this. To get away from the pressures and the racism he found on the mainland, he buys a house deep in the forest on a remote Hawaiian island. But just as he settles in one night to at last enjoy his solitude, he hears from the surrounding forest the infamous cry of the southern "redneck," "YAAA-HOO!" This was the chilling cry that often

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preceded an escapade of mindless violence against blacks, the sort of good-ole'-boy violence that could mean anything from harassment to lynching. It correlates with and evokes the sort of terror that blacks lived with for centuries in the South, a terror that Pryor milks for great comic effect. But as far as we know, there are no real good ole' boys in his forest. The shout is by someone who does not know the meaning it carries for Pryor. It is an objective event that by correlation pulls forward a historical terror through space and time.

The enemy-memory works by correlation, by connecting events in the present to emotionally powerful memories of the enemy. In American life there are objective correlatives everywhere that evoke the painful thicket of emotions—vulnerability, self-doubt, helplessness, terror, and rage—that comes from having lived for centuries under the dominion of an enemy race. In the American language itself there are countless words and expressions that function as correlatives—"you people," "bootstraps," "reverse discrimination," "colored people" (interestingly, "people of color" is not a correlative), "black militant," "credit to his race," "one of my best friends . . . ," "I never knew a black until college . . . the Army . . ."—any phrase or tone that condescends, damns with faint praise, or stereotypes either positively or negatively. Any generalization about blacks correlates with the practice of generalizing about us that led to our oppression. And then there is an entire iconography of visual correlatives covering everything from Confederate flags and pickup trucks with gun racks to black cast-iron lawn jockeys, "flesh-colored" Bandaids that are actually pink, separate black and white advertisements for the same product, and so on. Tragically, the most relentless visual correlative may be white skin itself, especially for blacks with little experience in the larger society.

Blacks grow up in America surrounded by correlatives to their collective pain. I think the recent demand on college campuses and in the workplace for more "racial sensitivity" is, among other things, a demand that whites become more sensitive to the myriad correlatives that put blacks in touch with painful emotions. White insensitivity in this area is a form of power, an unearned and unfair power, that feels to blacks like another manifestation of their victimization. And in a sense it is, because white insensitivity in whatever form (and sometimes nothing can be more insensitive than a pained sensitivity that calls attention to itself) carries the power to diminish blacks even when unintended. On one level the push for racial sensitivity is an attempt to offset the power whites have by birthright to compromise blacks with racial anxiety by ignoring the correlatives to that anxiety.

But objective correlatives are only one part of the process by which the enemy-memory operates. They are intrusive visitations through which the objective world causes us to feel our emotional history in a way that makes us insecure in the present, and so robs us of power. But I believe this process also works in reverse, in a way that tries to restore power. That is, the enemy-memory becomes a force in its own right and actually creates correlatives for itself in the world—correlatives that reinforce its often exaggerated sense of the enemy's power so as to justify black demands for power. In this process mistrust is the transforming agent that encircles an "event" and redefines it as a correlative to the enemy's continuing intention to oppress blacks. And when the memory of the enemy is as vast and powerful as it is for black Americans, there is an abundance of mistrust available for this purpose. Correlatives created by racial mistrust are subjective rather than objective since they do not come from the outer world but rather are imposed on it. They are fabrications of racial mistrust in which current events are infused with the memory of a more powerful racism than exists today.

A recent and striking example is the claim by many blacks that the drug epidemic in black neighborhoods across the country is the result of a white conspiracy to commit genocide against black people. Here the memory of pernicious racism is being brought forward to redefine a current problem, to transform it into a correlative for what is remembered so that it cannot be seen for what it is. Even if we assume that government is not doing all it can to combat drug use in the inner city, it takes a long stretch to conclude that this is evidence of

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a white conspiracy to kill off blacks. I think memory and the mistrust born of it are the sources of this hyperbole. Also, once the black drug epidemic becomes a subjective correlative for black oppression, then it stands as a *racial* injustice and so entitles blacks, in the name of redress, to pursue power in relation to whites. Because subjective correlatives always make events into racial issues—by recasting them as examples of black victimization—they are used to justify the pursuit of power.

All of this, I believe, has something to do with why the civil rights leadership has lost credibility in American society since the days of Martin Luther King, Jr. Too much under the sway of their memory of the enemy, this more recent group of leaders has not always made the distinction between hyperbolic correlatives for black oppression and actual oppressive events. When the NAACP marched against the recent group of Supreme Court decisions that severely limited preferential treatment programs, it transformed this cluster of decisions into a correlative for black oppression, even though at least one decision reaffirmed for whites the same constitutional right to sue for representation that blacks demanded during the civil rights movement. None of these decisions deprived blacks of their constitutional rights, so to characterize them as antiblack is to recast them, through memory and mistrust, into symbols of the kind of oppression that blacks knew in the days of *Plessy v. Ferguson* when the principle of "separate but equal" was established. Decisions that attack *preferences* are made to correlate with decisions that deny black rights. Of course, this correlation is only suggested through the symbolism of protest marches and a rhetoric of black victimization, but its effect is to diminish the credibility of black leadership. Most Americans simply do not accept the correlation. It is an exaggeration that has the look of a power move.

The exaggeration of black victimization is always the first indication that a current event is being transformed by mistrust into a subjective correlative that sanctions the pursuit of racial power. (Victimization is a form of innocence, and innocence always entitles us to pursue power.) The current black leadership has injured its credibility by its tendency to make so many black problems into correlatives for black oppression. The epidemic of black teen pregnancies, the weakened black family, the decline in the number of black college students, and so on are too often cast as correlatives of historic racism. About Mayor Marion Barry's arrest on drug charges, Benjamin Hooks of the NAACP said, "I don't think there's any question there's some racism involved . . .," despite the fact that countless other black mayors have not been hounded by such charges. Such claims are exaggerations because racism simply does not fully explain these problems. No doubt they have something to do with the historic wounds of oppression, but what the charge of racism does not explain is the giving in to these wounds more than ever before, during a twenty-five-year decline in racism and discrimination. There are more black males of college age in prison than in college even as universities across the country struggle to recruit more black students. Black leaders can solve their "credibility gap" only by distinguishing between real oppression and those correlatives that exaggerate it in the interest of narrow racial power. Without this distinction, our leaders seem always to be crying wolf. And here the point must be made that discrimination does continue to exist and we need credible leadership to resist it.

Tragically, there is a real antiblack sentiment in American life, but it is no longer as powerful as we *remember* it to be. Our memory makes us like the man who wears a heavy winter coat in springtime because he was frostbitten in winter. Every sharp spring breeze becomes a correlative for the enemy of frostbite, so that he is still actually living in winter even as flowers bloom all around him. Not only do subjective correlatives cause us to reenact the past, but they rarely bring us the power we seek through them because they are too much based on exaggeration. Worse, they cut us off from the present and its many opportunities by encouraging the sort of vision in which we look at the present only to confirm the past.

But the distortions of correlation are not the only problems that come to blacks from our enemy-memory. I think this memory has also led to one of our most serious mistakes in thinking: often to confuse the actual develop-

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ment of our race with the elimination of racial discrimination, somehow to see these two very different goals as synonymous. Though the elimination of discrimination clearly facilitates our development, the two goals are entirely different and require entirely different strategies. The elimination of discrimination will always be largely a collective endeavor while racial development will always be the *effect* that results from individuals within the race bettering their own lives. The former requires group solidarity, collective action, and a positive group identity while the latter demands individual initiative, challenging personal aspirations, focused hard work, and a strong individual identity. Different goals, different strategies. But I believe the powerful memory blacks have of racism and discrimination can rally us to the fight against these things at the expense of our development as a people. I think this is one of the reasons why blacks have fallen farther behind whites on many socioeconomic measures in the last twenty years even as actual discrimination has declined.

The enemy-memory distracts us from development by miring us in a very natural process of *inversion* in which we invert from negative to positive the very point of difference—our blackness—that the enemy used to justify our oppression. Inversion tries to transform the quality that made us most vulnerable into an identity of invulnerability. Blackness becomes a source of pride rather than shame, strength rather than weakness. This is a necessary and inevitable process by which any oppressed group regathers dignity and esteem from the experience of denigration.

But inversion—fueled by the visceral memory of the enemy—is also a trap. The great evil of America's oppression of blacks was the use of the collective quality of color to limit us as individuals no matter what our talents or energies—individual autonomy stifled by oppressive collectivism. When inversion drives us to make our racial collectivity positive rather than negative, it may reach for new dignity, but it also reinforces our bondage to this collectivism at the expense of individual autonomy. Whether we are struggling against shame or for pride, we are still spilling scarce energy into the pursuit of collective esteem at the expense of individual development.

Inversion draws us back into a preoccupation with our collective identity at the very moment when we most stand to gain from the initiative of individuals who are unburdened by too much collective obligation. To carry off inversion we must become self-conscious about the meaning of our race; we must redefine that meaning, invest it with an ideology and a politics, claim an essence for it, and look to it, as much as to ourselves, as a means to betterment. And, of course, this degree of racial preoccupation prepares the ground for intense factionalism within the race. Who has the best twist on blackness, the Black Muslims or the civil rights establishment, the cultural nationalists or the black Baptists, Malcolm X or Martin Luther King, Jr.? And who is the most black, who the least? Within each faction is a racial orthodoxy that must be endlessly debated and defended and that rallies the faction against other factions while imposing a censorship of thought on its own members. Even when blacks avoid factions, they must be ready to defend that choice to others and to themselves. Inversion perpetuates the fundamental imbalance of racial oppression itself by giving the collective quality of race far too much importance in the lives of individual black Americans.

One of the many advantages whites enjoy in America is a relative freedom from the draining obligation of racial inversion. Whites do not have to spend precious time fashioning an identity out of simply being white. They do not self-consciously have to imbue whiteness with an ideology, look to whiteness for some special essence, or divide up into factions and wrestle over what it means to be white. Their racial collectivism, to the extent that they feel it, creates no imbalance between the collective and the individual. This, of course, is yet another blessing of history and of power, of never having lived in the midst of an overwhelming enemy race. It is a blessing won at the expense of blacks, whose subjugation brought whites a sort of automatic racial inversion—a sense of superiority that freed them from the struggle for simple racial dignity.

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It was clearly impossible for blacks to avoid inversion just as it was impossible for us to avoid our enemy. Therefore, it was also impossible for us to avoid the burden of collectivism and the preoccupation with race that goes with it. Inversion once was a survival impulse, and yet today when the oppression of blacks has greatly diminished, I believe this impulse causes our most serious strategic mistake: to put the responsibility for our racial development more in the hands of the collective than in the hands of the individuals who compose it. It is inversion that, by submerging us too deeply in collectivism, obscures the distinction mentioned above between the elimination of discrimination (societal change) and racial development. And once "collectivized," collective action seems to be the only remedy for our problems. But, although civil rights bills can be won this way, only the individual can achieve in school, master a salable skill, open a business, become an accountant or an engineer. Despite our collective oppression, opportunities for development can finally be exploited only by individuals.

Whether a stigmatized minority group develops successfully or slips into inertia has, I believe, much to do with whether the group allows its impulse toward inversion to muddy the distinction between societal change and group development. This is the distinction that allows the group to assign responsibility for development to the individual. Those groups that have somehow maintained this distinction (for historical and cultural reasons too complex to explore here) have thrived in America despite racism, anti-Semitism, and outright discrimination. Asians, Jews, West Indians, and others have found their avenues for development in the aspirations of their individuals who have approached American society with initiative, energy, and pragmatism. Certainly the point must be made here that the civil rights movement, which won many victories against discrimination, made the road easier for the individuals within these groups. On the front of collective action against bigotry no group has made a greater contribution than black Americans. Yet I think the extremely intense memory of our enemy (along with racial vulnerability and the continuing presence of racism in America) has so absorbed us that we have overlooked the developmental power to be found in the aspirations of our individuals.

This imbalance is evident today in many areas of black life. Black college students often take a leading role in demanding change on their campuses yet as a group have the lowest grade-point average and the highest dropout rate of any student group in America—collective action over individual initiative. The national civil rights leadership relentlessly pressures the government for more and better social programs yet does not put equal pressure on blacks to achieve as individuals—one result being that we are often not developed enough to take advantage of the concessions they win, such as affirmative action. Their unconscious strategy is to transform the problems of black America into subjective correlatives. When problems like black teenage pregnancies, the drug epidemic, poor educational performance, and so on are recast as correlatives for black oppression, the primary responsibility for solving them automatically falls on the larger society. Subjective correlatives serve inversion by blame-placing, by casting blacks as victims and the society as their oppressor. But most of all they always show black problems as resulting from an oppression that can be resisted only by collective action. And here is where the distinction between societal change and racial development is lost, where the individual is subsumed by the collective.

Thus, at the 1989 NAACP convention the several problems that face black America—from affirmative action to teen pregnancies—were listed on the agenda, but primarily as subjective correlatives, as evidence of society's indifference to blacks, as yet more proof of our continuing victimization and therefore our innocence. In this deterministic context the power to be found in the individual is lost amidst the exhortations for more societal change. The price blacks pay for placing too much of the blame for our problems on society is to be helpless before those problems.

Inversion also hurts our development in another way. If the memory of the enemy leads to inversion (helped along by subjective correlatives), it is also true that inversion requires us to remember the enemy. In order to

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invert, to make blackness positive, we must know the negative views whites have of us. In this sense, inversion not only makes the black identity itself too much a response to white racism but it also makes our identity dependent on that racism. With inversion we need a knowledge of our former oppressor's worst view of us in order to carry out the work of self-definition—a process that requires us to remember the enemy at his "worst" in order to know ourselves at our "best." In this way inversion, born of the memory of our enemy, also demands that we remember him more, thus completing a self-perpetuating cycle of obsessive and painful memory.

By exaggerating our enemy in order to define ourselves, we put ourselves in the ironic position of having to deny clearly visible opportunities in order to "be black" and claim a strong black identity. Out of this cycle of memory comes the "real black," who sees society as an oppressive withholder of black opportunities. I recently spoke with a black woman who described herself as a cultural nationalist. In her view there were virtually no opportunities for blacks to enter the mainstream of American life, which she saw as fundamentally racist. She was, as we say, the blackest of the black, yet this purified identity was achieved by an absolute denial of mainstream black opportunity. In her scheme the more opportunity one admitted to, let alone took advantage of, the less "black" one was. The power of memory and inversion had virtually called this woman back to slavery and left her no option but collective action since individual possibility was all but invisible to her. She was an extreme case, but also an extreme version of the paradigm that touches many blacks. Even among middle-class blacks who function well in the mainstream, when the time comes to declare one's identity, to announce one's blackness, there is invariably a denial of black opportunity. This is the denial that brings one securely back inside the circle of blackness, that quite literally lets one feel black. To point to opportunity is to stand outside this circle, to be less black. Inversion is a reunion with the enemy in which we once again define ourselves as his victim.

Common wisdom sometimes tells us that it is good to have enemies. "We can learn even from our enemies," said Ovid. Probably this is true, since two other things are certainly true: we will have enemies whether they are good for us or not, and we will have a bond with them whether we wish to or not. But the quarrel I have with such wisdom is that it does not speak to the issue of degree. It is one thing to simply have an enemy; it is another thing to be inundated and sat upon by an enemy and to live in this condition over the course of centuries. The magnitude of such an enemy makes the common wisdom almost fatuous. No doubt black Americans have learned much from such an enemy, but at a price that has been absurdly punitive. Still, I think we have one thing left to learn—to discipline our memory of the enemy so that we can distinguish between that memory and the actual "enemy activity" that we may still encounter. To fail in this distinction is to remain at war with a far greater enemy than the one we actually live with.

Our greatest problem today is insufficient development—this *more* than white racism. And just as nations deplete themselves rather than develop in wartime, we can't really advance under the burden of an enemy swollen into a Goliath by memory. We must see the enemy for the mad bee that he is rather than the raging lion he used to be. If this metaphor is too charitable, then we can pick another one, but in any case we must diminish his size and scope in our minds to his actual proportions. Then we must free our individuals from the tyranny of a wartime collectivism in which they must think of themselves as victims in order to identify with their race. The challenge now is to reclaim ourselves from the exaggerations of our own memory and to go forward as the free American citizens that we are. There is no magic that will make development happen. We have to simply want more for ourselves, be willing to work for it, and not use our enemy—old or new—as an excuse not to pursue it. It doesn't really matter that southern accents in southern airports make me remember. What's important is that I can travel. □

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Nicolaus Mills

FORGOTTEN GREENVILLE

SNCC and the Lessons of 1963

In November 1963 forty members of the Student Nonviolent Coordinating Committee (SNCC) gathered in the small Mississippi town of Greenville for three days of meetings. The result was a decision that would bring over one thousand volunteers—most of them white—south for the Mississippi Summer Project of 1964. Like the Students for a Democratic Society's (SDS) famous Port Huron meeting of 1962, Greenville would change the political course of the 1960s.

Greenville gets mentioned in histories of the 1960s, but unlike the Montgomery Bus Boycott or the Selma March or the murders of Schwerner, Chaney, and Goodman, Greenville has sparked little popular interest. For Greenville was talk, and in Hollywood you don't make a television docudrama, let alone a film like *Mississippi Burning*, about talk.

The talk, however, is just what makes Greenville worth turning back to. Greenville was one of the last times in the 1960s when blacks and whites in SNCC thought of themselves as a "band of brothers" yet still questioned the value of an integrated civil rights movement. As such, it speaks directly to our present situation, when integration shows signs of becoming a word we are again willing to use and civil rights heroes, like Georgia Congressman John Lewis, SNCC's chairman during its heyday, insist, "We need to talk again about building what Dr. King called a *beloved community*—a truly integrated society of blacks and whites."

To look back at Greenville is to see how even in the best of times building a multiracial civil rights movement troubled its most committed participants and, particularly if they were black, made them vulnerable to the charge that they were substituting a white agenda for authentic racial change.

The steps leading to Greenville began in 1961 when Bob Moses, the man who would later head the Mississippi Summer Project of 1964, went to Mississippi to start organizing voter registration. "We are smuggling this note from the drunk tank of the county jail in Magnolia, Mississippi. Twelve of us are here, sprawled out along the concrete bunker," a 1961 Moses letter opens. "We lack eating and drinking utensils. Water comes from a faucet and goes into a hole. This is Mississippi, the middle of the iceberg. . . . This is a tremor in the middle of the iceberg—from a stone that the builders rejected."

Two years later, the Harvard-educated Moses, who had been teaching math at the Horace Mann School in New York before going to Mississippi, was a legend in the civil rights movement. He had been threatened, beaten, shot at, but in a state where more than 90 percent of eligible black voters were kept off the rolls, he had gotten people to go to courthouses to register. And he had brought into SNCC a group of young Mississippi blacks who, like himself, were prepared to risk their lives to change the South. The inroads Moses was able to make in Mississippi were not, however, enough to spare him and SNCC from constant arrests and heavy fines. By the end of 1962 in Greenwood, where SNCC had had some of its greatest success, it was, by Moses's own admission, broke and little more than a holding operation.

Then in 1963 a major change occurred. That fall, Moses, working with Al Lowenstein, a

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thirty-four-year-old liberal lawyer, brought a hundred students from Yale and Stanford to Mississippi to help in an undertaking that became known as the Freedom Vote. Its aim was to provide dramatic proof that, if given half a chance, Mississippi blacks would vote in record numbers. Polling booths were set up throughout the black community, and blacks were encouraged to cast protest ballots in the gubernatorial election for Aaron Henry, the black president of the Mississippi NAACP, and the Reverend Ed King, the white chaplain of Tougaloo College.

Two weeks before the election the SNCC staff and the students Lowenstein had recruited fanned out across the state. As expected, their efforts met with violence. Six of the Yale students were arrested within thirty-six hours of reaching Mississippi, and there were numerous beatings. But with the media on hand to report the story, the violence remained limited. On election day the precautions taken to make sure the Freedom Vote took place paid off. More than 80,000 blacks cast symbolic votes for Henry and King, and the media, intrigued by out-of-state students working in Mississippi, gave SNCC the kind of publicity it had never received before.

This success brought SNCC new momentum. Now, instead of being limited to local campaigns, it could function on a statewide basis. But the success also meant that SNCC's heroic age of innocence was over in Mississippi. SNCC was faced with the toughest decision in its short history: Did it want to continue the kind of organizing that had gotten it through its first two years? Or did it want to switch to a political strategy that relied on the use of northern students?

The dilemma was one that success had made possible but for which there was no painless solution. The core of field secretaries on whom SNCC depended in Mississippi were, as Bob Moses put it, twenty-five or thirty young Negroes "who viewed themselves as some kind of unit." If SNCC shifted to a strategy that made white volunteers the key to its future, the influence of these field secretaries would be diminished, for they would then be forced to share control of the movement in Mississippi and to admit that by themselves blacks could not determine their own fate in the Deep South.

On the other hand, if progress continued to be as slow as it had been from 1961 to the Freedom Vote of 1963, there was a good chance that SNCC's Mississippi staff would soon become the guardians of a lost cause. "The staff was exhausted, and they were butting up against a stone wall, no breakthroughs for them," Bob Moses would later recall. "Where was help to come from? The civil rights organizations were not prepared to make Mississippi a focus."

By middle November there was no putting off dealing with these issues. The August March on Washington (where March sponsors forced SNCC chairman John Lewis to tone down his speech) and the September bombing of the Sixteenth Street Baptist Church in Birmingham (which killed four black children) formed the backdrop for SNCC's meeting. But it was the Freedom Vote that dominated discussion.

Like those who favored a Summer Project that would make extensive use of whites, those who opposed the Project began with the lessons of the Freedom Vote. They were not at all sure that the presence of northern students had worked to SNCC's advantage. "I question the value of the publicity we gained from the Yale students," said Donna Moses, who throughout the Greenville talks clashed with her husband. She and the others opposed to the Summer Project feared that an expanded version of the Freedom Vote would leave SNCC face to face with an aroused white community but without help once August ended. "We don't have that much to gain from Negroes meeting whites," an angry MacArthur Cotton observed. "We've got too much to lose if they come down here and create a disturbance in two or three months, and they're gone."

As the debate heated up, it was its political rather than its physical dangers that its critics zeroed in on. The opponents of the Summer Project were prepared to keep working in a Mississippi in which, as one SNCC staffer put it, "with Negroes it's open season—365 days a year." But they were not prepared to support a Summer Project that, in their view, would jeopardize the gains they had made. During the Free-

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dom Vote whites seemed to gravitate to positions of authority, and many in SNCC feared what would happen if over a whole summer the whites working in Mississippi outnumbered blacks. "Up to this point you had a minority of whites working in the movement," Charlie Cobb, a Howard University student and the future head of SNCC's Freedom Schools, observed. "Now the movement is national. So what you've got is hundreds of white people all coming South, and they can do things better than Negroes, and the question is, What do you do with them all?"

Cobb did not believe that whites came to Mississippi intending to take over SNCC, but he was convinced that tradition made it all too easy for blacks to turn over power to them. "I didn't say whites take over. I said that Negroes take whites out of the field, then put them up in leadership roles," Cobb declared. "The tendency is for the whites to articulate the demands of Negroes to the Negro person while the Negro kids stand quietly on the side. This is not done on purpose by whites, but it is done." Cobb's fears were also shared by whites in SNCC. In language almost identical to Cobb's, Mendy Samstein, a Brandeis graduate who joined SNCC after teaching at Morehouse College in Atlanta, observed, "If thousands of whites come down, there is the problem of relationships between blacks and whites. Whites convincing blacks of their rights—this entrenches the concept of white supremacy."

Cobb's opposition to a Summer Project that relied on white students did not stop with the issue of political control. He also worried about SNCC's ability to deal with white versus black values. "We've got the problem of American values in white society—values we're trying to change," he pointed out. If whites became dominant in the Summer Project, how could whites' values be challenged? Cobb wanted to know. "People can't just come down to Mississippi and say we're here to help you," Cobb insisted. "The first consciousness that Negroes have is the thing of whites, and I don't think it helps to have the whites here."

What Cobb and those in SNCC who believed that civil rights "should be primarily a Negro movement" came back to as an example was the postcolonial experience in Africa. They pointed out that when the colonial powers ruled, the key positions were held by whites. Afterward, the idea was to train blacks to replace them. That was the way of the future in Africa, and for SNCC, which sought to develop black political power in Mississippi, a Summer Project that relied on whites was a step backward.

As the Greenville meeting drew to a close, Ivanhoe Donaldson carried Cobb's self-sufficiency argument one step further. He raised the issue of how a SNCC that depended on whites to carry out its Summer Project would appeal to young blacks. Would they not see the black SNCC staffers they identified with put in a position of inferiority? Donaldson had become involved in SNCC when, while a Michigan State student, he helped deliver a truckload of food to blacks in Leflore County, Mississippi. His doubts about the Summer Project, in conjunction with those of Charlie Cobb, also a northerner, were revealing. Their skepticism showed that it was not just SNCC's Mississippi-born field secretaries who feared an influx of whites.

"I came to SNCC, and I saw Negroes running the movement, and I felt good. These feelings might be irrational, they might be wrong, but I have to live with them. I get the feeling the way things are going in two or three years the movement will be run by white students," Donaldson declared. Donaldson did not try to put his fears in the shape of a systematic argument. "You're fighting yourself all the way across the board. I find myself doing this all the time. I think one way and act the other," he confessed. But Donaldson's unwillingness to try to intellectualize his feelings made them all the more powerful when he concluded, "Whites are mobile, and Negroes aren't. It's all one way. . . . We're losing the one thing where Negroes can stand first."

There was, as Charlie Cobb would later acknowledge, an inherent contradiction in the stance he and the opponents of the Summer Project took at Greenville. At a time when SNCC was arguing that Mississippi should be desegregated, they were arguing that integration posed a danger for SNCC. But logic alone, as Bob Moses and those favoring the Summer Project knew, was not going to carry the day at Greenville. The feelings

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that Cobb and Donaldson voiced were inseparable from the pride that kept SNCC going. What was needed to move SNCC beyond such feelings was not a debater's skill but a more compelling vision of the future.

At Greenville it fell to Bob Moses to spell out that vision. In doing so, he had the support of Lawrence Guyot, who in 1964 would head the newly formed Mississippi Freedom Democratic Party. He also had the backing of Fannie Lou Hamer, a grandmother who had endured the loss of her job and a savage beating by police to become one of the most revered figures in SNCC. Moses made approval of the principles of the Summer Project a test of his leadership, and on the second day of the Greenville meeting abandoned his normally deferential style of leadership to argue for a multiracial SNCC.

Moses's starting point was the impasse that SNCC had reached in 1963. Charlie Cobb saw inviting whites to come to Mississippi for the summer of 1964 as an admission of failure. As he later put it, "You're conceding that you're not able to deal with the situation." Moses did not dispute such a reading. But for him the facts were not the whole story. SNCC bore no onus, Moses believed, for failing to cope with the racial violence of Mississippi.

Moses made a point of talking about the areas where SNCC was vulnerable. Earlier in the year he had voiced the fear that the growing automation of cotton picking, in conjunction with the efforts of the White Citizens Councils to force blacks out of Mississippi, put SNCC in a bind. Now he returned to the same subject. "If it goes like it's going, they're going to beat us back in five or six years, because the cards are stacked in their favor," he argued.

For the opponents of the Summer Project, the answer was to become a tighter, more cohesive organization. Moses, on the other hand, was convinced that SNCC should expand as it had done during the Freedom Vote, when "whites brought a searchlight from the rest of the country with them." It was a position that left Moses vulnerable to the charge of ignoring the needs of the SNCC staff and playing down the encroachments of whites. But Moses believed he had no choice. "The question of whether or not the white students coming in would take over the movement, would dominate . . . was a risk, but not as important as the risk of not being able to do anything at all," he would conclude.

Some whites, Moses readily conceded, had overstepped their bounds during the Freedom Vote. But SNCC's overall experience with whites in Mississippi was, he insisted, the opposite of what the Summer Project opponents claimed. The whites who worked for SNCC did more than pull their weight. "We almost suffocated them," Moses declared. "They had to stay in the office. They couldn't go out on the street. They couldn't go to dances. They couldn't go to this cafe or that cafe. They were in the office. They were washing dishes. They were sleeping on the floors. They really were doing all the dirty work."

The real opposition to the Summer Project stemmed, Moses believed, from a general anger toward whites, and he attacked this anger head on. "People say of white workers in the field they're more articulate and they're going to do the talking, and then if you get them in the office, they're better typists, and so they get into leadership positions," he observed. "The tone I get is that white people came in and took over, and now we're going to put them in their place." Moses understood all too well why such anger occurred. As he later put it, "It's very hard for some of the students who have been brought up in Mississippi and are the victims of this kind of race hatred not to begin to let all of that out on the white staff." But at Greenville the only concessions Moses was prepared to make were limited practical ones. "My position all along, and I think I've said this several times, you try to get as many Negroes as you can to do the job, [then] get whites to the extent that it can't do harm to the Negro community," he declared. "The type of person you have is much more important than whether he's white or not."

Beyond this point, Moses was convinced, there was no room for compromise on the race issue. "I'm not going to be part of an organization that says, 'No white people are going to be head of a project because they're white,' " he told the meeting. "My alternative is I'll gladly leave if that's the kind of

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organization you want to run." But having taken this stance, Moses went on to argue that SNCC's position in the civil rights movement gave it a special opportunity to show how blacks and whites should get along. Fannie Lou Hamer would later quiet the room by declaring, "If we're trying to break down this barrier of segregation, we can't segregate ourselves." This time it was Bob Moses's turn to do the same. "The one thing we can do for the country that no one else can do," he declared, "is to be above the race issue."

In an interview with Robert Penn Warren, Moses would later discuss how his reading of philosopher Albert Camus made him concerned with the ways victims are tempted to turn themselves into executioners. Moses would not quote Camus directly at Greenville, but the fears his reading of Camus aroused were implicit in his final plea for the Summer Project. If whites were part of the Summer Project, it would, Moses argued, change the way blacks saw them. "Negroes would have to take them as people. They'd learn not to let their fears and emotions get the better of them when they talk[ed] to whites."

But most of all, Moses argued, SNCC needed whites because without them it was in danger of leading a "racist movement" in which color, not moral conduct, separated friend from foe. "The only way you can break that down," he concluded, "is to have white people working alongside you. Then it changes the whole complexion of what you're doing so it isn't any longer Negro fighting white. It's a question of rational people against irrational people."

More than two decades after Moses spoke the words that would commit SNCC to the Mississippi Summer Project of 1964, Shelby Steele, in an essay provocatively entitled "I'm Black, You're White, Who's Innocent?" (*Harper's*, June 1988), would use very similar language to describe racism in the 1980s. "What both black and white Americans fear are the sacrifices and risks that true racial harmony demands. This fear is the measure of our racial chasm," Steele wrote. Steele's point was not that anyone, especially black men and women of his generation, should ignore the racism in American life but rather that our current politics of victimhood in which the races compete against each other has created a no-win situation. "Now to be innocent someone else must be guilty, a natural law that leads the races to forge their innocence on each other's backs," Steele argued. "This pattern means that both races have a hidden investment in racism and racial disharmony, despite their good intentions to the contrary."

How do we move beyond that hidden investment? Steele's answer ("The Recoloring of Campus Life," *Harper's*, February 1989) is for us to emphasize our commonality as a higher value than our diversity. "Integration has become an abstract term today," he concedes. "I doubt the word will have a new vogue, but the values, under whatever name, are worth working for."

A quarter-century after the last important civil rights legislation, the Voting Rights Act of 1965, Steele's words don't resonate with hope the way Bob Moses's once did. What they do resonate with, however, is history, and what that history tells us is that without a sense of commonality the kind of black-white alliance is doomed that made possible the Second Reconstruction of the 1960s—and that will be needed again if we are to have a Third Reconstruction in which jobs, housing, schools are the target. □

Notes

The record of the Greenville meeting is to be found at the State Historical Society Wisconsin in minutes compiled by Howard Zinn. Additional comments on Greenville are taken from a 1966 interview Anne Romaine conducted with Bob Moses, also found at the State Historical Society of Wisconsin, and from Howell Raines, *My Soul is Rested: Movement Days in the Deep South Remembered* (Putnam, 1977). Bob Moses's letter from jail appears in Tom Hayden, *Revolution in Mississippi* (SDS, 1962).

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European Revolutions

Jan Josef Lipski

POLAND: THE STATE AND MARKETS

In our thinking about the economic changes underway in Poland, we seem overly impressed by the wealth of the United States and Western Europe, where market forces rule (though not exclusively). We tend to forget that there are other countries in the world governed by the market, whose situation does not nearly approximate the United States or West Germany or France. Consider, for instance, Brazil and many countries of Southeast Asia.

Somehow, the dictatorship of the market (for this is what the extreme laissez-faire position amounts to) functions one way in the highly developed countries of the northern hemisphere, another way among the poor of the southern hemisphere, and in yet another in the countries of Southeast Asia. These latter are now making a great leap in development, producing goods competitive on world markets. This is made possible by the world's cheapest labor force, with its miserable standards of nutrition, clothing, and housing. Everywhere social polarization grows wider. This, too, is a rule of the market.

A few years from now, will we be more similar to Brazil and Malaysia or to West Germany? I believe the former is more realistic. And that ought to influence the direction of our economic proposals. They will, inevitably, take on either a leftist or a rightist hue.

There are people in Poland who say we need an "antisocialist" party. Whatever this party might look like, it would unquestionably push an extreme laissez-faire program. This, as is well known, is the rallying cry of opposition to state intervention in the economy. Yet in virtually every corner of the earth the state interferes in the economy: it imposes taxes, collects custom duties, subsidizes certain sectors of production, e.g., agriculture, maintains price levels (such as the artificial reduction of farm production in the United States), sets monetary policy, undertakes welfare programs that entail economic consequences, and so on. Our Polish laissez-faire advocates, therefore, are simply demanding that we become the first country in the world to radically reject state intervention.

This constitutes a dangerous experiment, especially so for a country undergoing a protracted economic crisis in a context of deeper and deeper poverty.

Despite the laissez-fairists, Poland needs to make decisions, arbitrary ones, that determine key features of the changing economic system. The state will make them—who else? Specifically, they will be the business of the executive bodies of a government installed, as we all know, by a process that can be called neither free, nor universal, nor equal. The Polish "antisocialists" have not thought much about this arbitrariness. This is not a situation that developed organically, in an evolution over decades or centuries! It is the displacement of one decision, imposed some forty years ago, with another top-down dictum.

This choice among such fundamental decisions has to be based on more than economic criteria. If someone were to propose (without any assurance of long-term benefit) to throw millions of people into a poverty and homelessness much worse than may be already the case, in order to create a glorious future—then that person should be told that that future ought to be slightly less glorious, or that it should be put

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off altogether, rather than to have it realized at the enormous price of today's suffering people hoping for distant future rewards. And let us not forget that such proposals are for the most part floated by people not themselves in danger of poverty, people who, on the contrary, often stand to make immediate profits.

Poland needs not only Solidarnosc but a strong social democratic party in order to defend the interests of the most endangered groups in society by the means available to a political party. The PPS (Polish Socialist party) is unfortunately still too weak for the task. Until this changes, the PPS will have to limit itself to the role of a people's advocate.

Let's now turn to the proposals for the reprivatization of Polish industry. Some have objected that this will amount to doling out gifts rather than being a business proposition (there have already been instances of "enfranchisement of the nomenklatura" [party bureaucrats]). But there is more at stake.

Every worker, indeed, every Pole, has a right to say that in large part this will not be a "reprivatization," but a privatization of that which, for better or worse (the latter, as a rule), had been built through the effort and sacrifice of working people. It is their property that will be sold off, because it is entirely the product of their labor. Where did the FSO [large automobile plant in Warsaw] come from? It was not appropriated from anyone, and in a real sense we built it together, paying for it through a lowered standard of living for all. Sold it will be, or leased (to whom?) for our own good, conveniently overlooking that what is being sold factually and morally belongs to someone. If the economic reform is not accompanied by the enfranchisement of working people, they will have little reason to give it their support.

But above all, we must concentrate our efforts on halting the rapidly widening polarization that is dividing our society into the well-off and the destitute. This is a minimalized "egalitarian" program. Such decisions ought to be based not only on purely economic criteria but on moral ones as well. Clearly, neither economy nor politics should be confused with morality, but they should not be held completely separate either. Both politics and the economic system can have criminal effects—in which case they ought to be challenged and changed.

I am afraid that this will not be easy. After years of politics insulated from moral criticism, what might lie ahead is an analogous situation in which economic practices are exempt from moral criteria.

Socialists can never accept such a condition, and in this I believe that they will win strong social support.

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Norberto Bobbio

UTOPIA OVERTURNED

The catastrophe of historical communism is, literally, before our eyes: the catastrophe of communism as a world movement, born from the Russian revolution, promising emancipation of the poor, the oppressed, the "wretched of the earth." Its dissolution gathers speed, outdistancing all possible predictions.

Indisputable, however, even more than the failure of the communist regimes, is the failure of the revolution inspired by communist ideology—that is, the ideology of the radical transformation of a society considered oppressive and unjust into a completely different, free, and just society. The unprecedented

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drama of the recent events resides in the fact that this has not been merely a crisis of a regime or the defeat of a great invincible power; on the contrary, there has appeared, in a form that seems irreversible, the total overturn of a utopia, of the greatest political utopia in history (I'm not speaking of religious utopias), an overturn into its exact opposite. Remember, this is a utopia that for at least a century has fascinated philosophers, writers, and poets—can you remember Gabriel Pery's "tomorrows that sing"?—a utopia that has stirred masses of the disinherited, driving them into violent action; that has induced men of high moral sentiments to sacrifice their lives, to face imprisonment, exile, and extermination camps; that has aroused not only an indomitable material but also spiritual force that on many occasions appeared to be irresistible—from the Red Army in Russia to Mao's Long March, from the conquest of power by a group of determined men in Cuba to the desperate struggle of the Vietnamese people against the world's most powerful army. In a youthful essay Marx had defined communism—why not recall this?—as the "solution to the enigma of history."

None of the ideal cities described by the philosophers had ever been proposed as a model to be realized. Plato knew that the ideal republic about which he talked with his friends was not destined to exist in any place on earth but, as Glaucon said to Socrates, was true only "in our conversations." And now, the first utopia that tried to enter into history, to pass from the realm of "talk" to that of facts, not only did not materialize but is being overturned, has already been overturned in those countries in which it was put to the test.

The best proof of the failure lies in the fact that all those in the communist world who have rebelled periodically over the years, and now with particular energy, are demanding precisely those rights to freedom that constitute the basic foundation of democracy: not, it must be pointed out, a "progressive" or "popular" democracy, or whatever it's been called to distinguish it from our democracies and to exalt its superiority, but indeed a democracy that I cannot help but call "liberal," the democracy that arose and was consolidated through the slow, laborious conquest of a number of fundamental liberties. In particular I refer to the four great liberties of the modern age: personal liberty, that is, the right not to be arrested arbitrarily and to be judged in accordance with well-defined penal and trial laws; the liberty of press and opinion; the liberty to assemble, which we have seen conquered peacefully but contested in Tiananmen Square; and, finally, the most difficult to obtain, liberty of association, from which are born free unions and free parties and, with these free unions and free parties, the pluralistic society without which democracy does not exist. The result of this centuries-long process has been political freedom, that is to say, the right of all citizens to participate in the formulation of collective decisions that concern them.

The explosive and, so it would seem, irresistible onrush of the popular movements that are shaking the communist regimes is due to the fact that these great liberties are now being demanded all at once. The state of liberties arrived in Europe after the state of authoritarian rule; the democratic state after the state of liberties. In one of their documents the Chinese students declared that they were fighting for democracy, liberty, and law. Such a situation is objectively revolutionary. Such a situation, where no revolutionary outlet is possible, as seems to be the case in those countries, can only have a gradual solution, the most advanced of which seems to be the Polish one, or a counterrevolutionary solution, as is happening in China—unless it develops in the well-known form of failed or impossible revolutions, which is civil war.

The conquest of freedom for modern man, supposing that it is possible and to the extent to which it is possible, can only be, for the countries of the overturned utopia, a point of departure. Leading where? I ask myself this question, because just founding a state of liberal and democratic rights is not enough to solve the problems that gave rise to the proletarian movements of the countries that initiated the process of industrialization in an unquestionably ferocious manner and then became "the hope of revolution" for the poor

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peasants of the Third World. In a world of frightful injustices to which the poor are condemned, crushed by unreachable and apparently unchangeable great economic powers that almost always underlie political powers, including those that are formally democratic—to think at this juncture that the hope for revolution has been extinguished only because the communist utopia has failed is tantamount to closing one's eyes in order not to see.

Are the democracies that rule the richest countries of the world capable of solving the problems that communism has been unable to solve? That is the question. Historical communism has failed, I won't dispute that. But the problems remain, precisely the same problems, which exist now and will in the future on a world scale, those that the communist utopia had pointed to and considered solvable. That is why it is foolish to rejoice at the defeat and, gleefully rubbing one's hands, to say: "We always told you so!" Oh, you who cherish false hopes, do you really believe that the end of historical communism (I insist on the word "historical") has put an end to the need and thirst for justice? Would it not be well to realize that, if in our world there rules and prospers a society composed of two-thirds who have nothing to fear from the third of have-nots, in the rest of the world the society of have-nots is two-thirds, or four-fifths, or actually nine-tenths?

Democracy has won out over the challenge of historical communism. But with what means and what ideals is it preparing to face those very problems from which the communist challenge was born?

"Now that there are no barbarians left," the poet says, "what will become of us without them?"

Translated from the Italian
by RAYMOND ROSENTHAL □

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Mark Caldwell

THE LITERATURE OF AIDS

Sensationalism, Hysteria, and Good Sense

In the 1990s, if the optimists are right and the world is lucky, someone will be able to write the history of AIDS. If the epidemic has peaked by then—and some observers argue that this has already happened—we will still be living out the denouement of a widespread human tragedy. But we'll know both its scale and when we can expect it to play itself out, even in the absence of a vaccine or completely effective therapy. Then we may be in a position to assess AIDS, decide how it harmed us, and what, if anything, it taught us.

Right now we know the etiological cause of the disease: HIV, the human immunodeficiency retrovirus. Less surely, we know how HIV leads to the immunosuppression that in turn permits fatal opportunistic infection. We know in a general way how HIV can be spread—sexually, by the sharing of blood products, and from mother to fetus. But the exact mechanism of transmission remains elusive (this is not new among epidemic diseases; no one has settled how tuberculosis and polio spread). Nobody knows exactly how many people are now infected with HIV. Nor how fast it is spreading. Nor how helpful or harmful drugs like AZT will prove to the bulk of those who take them.

Though much of what has been written on AIDS may have done some good, most of it is shrill, muddled, tendentious. In the middle of a crisis, without certainty, we settle for what helps at the moment: bricolage. But, sadly, when it comes to the literature of AIDS, what linked most writers in the 1980s was hyperbole.

Randy Shilts's *And the Band Played On* remains to date the most widely read and influential mass-market book on AIDS. It is also typical of its genre in its taste for melodramatic utterance. Shilts designates Rock Hudson's death from AIDS in 1985 as a watershed, converting the panicked silence of the press and broadcast media into relentless publicity. But the book itself accelerated that process, helping to establish the vocabulary in which popular discussion of AIDS has been conducted ever since.

The book has the merit of demonstrating a point almost nobody would now dispute: the epidemic could have been stemmed, if not stopped, by early action. Between 1981 (when the first cases were reported) and 1985, AIDS continued to spread in the United States. From the very beginning, any physician who paid attention to the epidemiological data, in fact any intelligent layperson, was in a position to guess—though not, until 1984, to know—that AIDS was a blood-borne and sexually transmitted disease, probably viral in origin. Shilts documents the dithering that afflicted virtually everyone who might have acted to publicize this theory. Scientists and physicians, public health authorities, gay political leaders, and business interests are all castigated for not speaking out earlier. Shilts expertly shows how hesitation or denial in the early 1980s prevented effective action.

The problem with *And the Band Played On* is the grating emotionalism of its language. It is every bit as riddled with panic and unexamined prejudice as its targets. In his "Notes on Sources," Shilts calls his book a "work of journalism" and disclaims any fictionalization, but adds that "for purposes of narrative flow, I reconstruct scenes, recount conversations and

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occasionally attribute observations to people with such phrases as 'he thought' or 'she felt.' " Such references, Shilts vaguely adds, "are drawn from either the research interviews I conducted for the book or from research conducted during my years of covering the AIDS epidemic." Odd journalism indeed if, as Shilts appears to be saying, he has reconstructed other people's thoughts and utterances out of his own experience as an ace reporter in the field.

And the Band Played On adopts, often disastrously, the language of pulp fiction. It presents a series of vignettes from the lives of doctors, gay men with and without AIDS, activists, and observers, the common thread being the overheated Sidney Sheldonesque prose. Here, for example, is Don Francis, the Centers for Disease Control researcher on whose authority much of the epidemiological information in *And the Band Played On* seems to rely:

> The car swerved, jolting Don Francis awake. Francis regained control of his Volvo and continued home. The night before, he had arrived home at 6 P.M. and was in bed by 8:30 P.M., as usual, so he could slip into the CDC headquarters on Clifton Road by 5 A.M. to get a few hours of work done before the meetings began. . . . Francis had learned such rigorous schedules when he was fighting smallpox in India. It was you against the disease, his ethos went, and the disease might win if you let up for one day.

An even more extreme case of Shilts's overdramatizing is his account of Patient Zero, Gaetan Dugas, the French-Canadian airline steward who had documented connections to a number of gay men who contracted the disease early in the epidemic. The implication of the story is that in Dugas, who persisted in a voracious career of bathhouse sex after contracting AIDS, researchers had tracked down—and Shilts had made public—the origin of the epidemic in America.

Shilts briefly concedes the improbability that the virus could ever be tracked to a single human carrier: "Whether Gaetan Dugas actually was the person who brought AIDS to North America remains a question of debate and is ultimately unanswerable." In fact, it is highly unlikely; the disease has been found in post mortem tissue taken from a patient who died in St. Louis in 1969, well before Dugas. But this doesn't prevent Shilts from dramatizing him heavily, as an at first ignorant but ultimately willful angel of death. Dugas is first shown in 1980 in San Francisco on the day of a gay parade, just after the removal of his earliest Kaposi's sarcoma lesion; eventually, diagnosed with AIDS and told he is spreading it, he becomes a gay Typhoid Mary: "He would have sex with you, turn up the lights in the cubicle, and point out his Kaposi's sarcoma lesions. 'I've got gay cancer,' he'd say. 'I'm going to die and so are you.' "

Shilts carefully avoids claiming these incidents ever happened or, if they did, that Dugas perpetrated them. But that reservation is likely to be lost on the reader who follows Patient Zero's sinister course through the bathhouses and bars. The Dugas story appeals to an immemorial superstition that recurs in epidemics:the rumor of the anointer, the anonymous stranger who drifts into the city deliberately spreading the plague among the innocent.

Patient Zero, Gaetan Dugas, is a dream image, an allegory of our own terror. The image may (incidentally) be the truth, but it has the *frisson* of legend. The facts are a veneer, essentially beside the point. And despite its reportorial character, this is generally true of *And the Band Played On*. What the book really communicates is more the impact of the epidemic's spread on the emotions than its clinical and public health history.

One of the book's recurrent themes is the

Books Discussed in This Essay

David B. Feinberg, *Eighty-Sixed* (New York: Penguin, 1989), $7.95 paper.

Michael Fumento, *The Myth of Heterosexual AIDS* (New York: Basic Books, 1990), $22.95.

Larry Kramer, *The Normal Heart* (New York: New American Library, 1985), $6.95 paper.

Randy Shilts, *And the Band Played On: Politics, People, and the AIDS Epidemic* (New York: St. Martin's Press, 1987), $24.95.

Susan Sontag, *AIDS and Its Metaphors* (New York: Farrar, Straus and Giroux, 1989), $14.95.

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gay community's early reluctance to shut down the baths, a cause for which Shilts was an advocate. In the effort to document this, however, *And the Band Played On* ultimately gives, as with Gaetan Dugas, the appearance of demonstrating objectively what it can't possibly know: that the disease spread mainly in the dark, seedy shadows of sex clubs. Shilts never denies that AIDS can be (and perhaps mainly is) spread by people who meet socially or at work, fall in love, and have sex with each other by normal middle-class firesides. But that isn't the role sex plays in the book. It's dark, threatening, disgusting sex. No wonder, Shilts seems to be saying, such stuff leads to AIDS.

In the 1980s Shilts was far from alone in reacting this way to AIDS. Throughout the decade AIDS set loose the personal demons of virtually all who wrote about it. Try as they might to paint a portrait of the disease, what they ended up offering was covert psychoautobiography.

Nothing illustrates this tendency better than Larry Kramer's 1985 play, *The Normal Heart*, the opening night of which figures as a landmark in *And the Band Played On*. Randy Shilts had campaigned for the closing of the bathhouses in San Francisco; Kramer did the same even more aggressively in New York, adding political agitation against the Koch administration, which had essentially ignored the early phases of the epidemic. William Hoffman's earlier play *As Is* had dramatized the personal dimensions of AIDS, but *The Normal Heart* was frankly polemical, offering a history of the anti-AIDS movement in New York and, more than incidentally, a dramatic lecture on the disease. As Shilts had, Kramer rails against the early denial, in both the scientific and the gay communities, that allowed the virus to spread. In the preachy, improbable character of Emma, a physician, he offers advice on prevention: stop having sex. To that Kramer added several vivid, if melodramatic, portraits of gay men coping with AIDS. Like *And the Band Played On, The Normal Heart* did mark a sociopolitical if not a creative breakthrough, and there is no question that it helped propel discussion of the disease into public discourse.

But it too suffers from a division of soul: scene by scene it appears to unfold as a history of AIDS and a two-pronged diatribe against homophobia and the homosexual behavior that allowed AIDS to spread. But its dramaturgy reveals another and deeper-rooted preoccupation. The real crisis of the play has nothing to do with AIDS and everything to do with politics and the bottomless ego of the main character, Ned Weeks, widely reported to be a self-portrait of Larry Kramer. Much of the plot revolves around his founding of an anti-AIDS volunteer group at the beginning of the epidemic—as Kramer had founded Gay Men's Health Crisis (GMHC). The play's climax comes when Weeks is humiliatingly drummed out of the organization (this also happened to Kramer with GMHC) because he is too loud, too confrontational, too willing to make a public issue of his (and his friends') gayness. The scene isn't as self-pitying as a description of it implies: Weeks admits he's an asshole and begs not to be cut off from the group. But when he is left standing alone on stage, the play has reached its apogee. Everything that follows this moment, including a deathbed marriage to his dying lover, Felix, is an anticlimax.

How is it that a diatribe against a disease and those who respond to it inadequately (at least as the play sees things) can devolve so thoroughly into a portrait of naked ego? *The Normal Heart* has one strong advantage over *And the Band Played On*. It is aware that it plays out violences of emotion not strictly related to AIDS. The stinging rebukes administered to Weeks by the other characters and his own self-criticism demonstrate Kramer's recognition of this problem, but they don't solve it. We are left with the nagging sense that Kramer has exploited a general tragedy to ventilate a personal one.

Is such confusion peculiar to AIDS, or is it something to do with being gay? There have been, in the West at least, arguably three contagious diseases in the twentieth century that match AIDS in psychological impact: tuberculosis (which at the end of the nineteenth century was the leading cause of death in the United States), the 1918 influenza epidemic, and polio. But an implicit faith in physicians and in the power of scientific medicine (which we've since lost) allayed some of the panic

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each provoked. In 1900 or 1918 or 1950, some of the angst unleashed by the fear of a fatal disease could be dispersed in the trust you felt in your doctor and his profession. In all the disease literature of the period, there is usually a potent physician, like Sir Luke Strett in James's *The Wings of the Dove*, who mediates between the character facing illness and the mysteries and horrors of the disease. But, for better and worse, we've since deconstructed organized medicine, leaving nothing between ourselves and the microbe, no social network to lessen the sense of isolation and powerlessness that a mortal disease brings.

In his widely praised novel about AIDS (and the golden age of the zipless fuck preceding it) *Eighty-Sixed*, David R. Feinberg at first seems to apply satire as a distancing technique to avoid self-promoting emotion. His book is superficially unsentimental, a tissue of stark and merciless comic contrasts. The first half, "Ancient History," follows the hero, B.J., through 1980. B.J.'s principal, though unmet, goal is a boyfriend, a search that takes him from trick to trick, and to the St. Mark's Baths, the Ramble in Central Park, the gay stretch at Jones Beach, the New York University gym, the V.D. clinic (inevitably) and, as the stakes rise inexorably, the still more surreal Greenwich Village lab where you went to have stool samples tested for intestinal parasites ("This is not the correct consistency," the Nordic technician icily informs B.J. after his first effort). The tone is sardonic, but B.J. is so obsessed with sex—albeit in the guise of romance—that his story, even as it cannonballs along through days of mindless libertinism, becomes claustrophobic and essentially joyless. B.J. comes up for air only for occasional rueful dinners with friends. But even they are most often ex-tricks, and, wherever the conversation ranges, it is eventually yanked back by B.J.'s lodestone: boyfriends, boyfriends, boyfriends.

Eighty-Sixed is most remarkable for the inevitability with which its unhinged first half predicts and ushers in the nihilism of its second half, "Learning How to Cry," which takes B.J. through 1986, the year when the consciousness of AIDS became, at least among gay men in New York, a kind of monomania. B.J., though a New York University graduate student, is essentially frivolous and brainless, remaining as driven as ever in the quest (still unsuccessful) for a lover, but to that preoccupation is added the gnawing fear of AIDS and the nagging strain of living with sick friends from debility to debility and finally to death. The book's comic edge sharpens here but doesn't function as relief. It simply reflects the mockery by which an implacable fate reaffirms its power over the characters.

Eighty-Sixed is, in other words, despite its veneer of hardboiled skepticism, as contrived as either *The Normal Heart* or *And the Band Played On*. In Iris Murdoch's most recent novel, *The Message to the Planet*, a major character, dying of a disease that resembles AIDS (though we're told it's not), is brought back from the edge of death by a possible miracle. The book and its characters are as skeptical about the possibility of magic as the most hardened late-twentieth-century positivist could wish, and much of *The Message to the Planet* explores the possibility that the cure was a result of chance. But at least the hope for escape from necessity animates the story, lets in some air. Feinberg's despair, on the other hand, belies and ultimately vitiates the vitality of his imagination. His book is punctuated by short, usually comic, prose-poem riffs, but one, in "Learning How to Cry," is unforgettable for the black hole into which it sucks the reader, the writer, and, apparently, the novel. The poem is called "Sensitivity Exercises for Death," and it could serve as an epigraph for the whole book. In the poem we are exhorted to imagine ourselves floating through helium. Then fog. Then water. Then—finally—mud.

> The mud is viscous. Gradually you make your way across the room. Watch out for rocks. The mud is warm and soothing. You hear muted music, the lower octaves from an organ. It gradually fades away. The mud hardens. Now it is solid. You are encased in concrete. Try to move. You can't. . . .
>
> Close your eyes.
>
> Now don't open them.
>
> Ever.

The book is so ferociously fettered to the

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experiences it recounts, whether libertine or anhedonic (in Feinberg's world the two blend inextricably), that catharsis becomes impossible. The reader is afforded no distance, no perspective. The effect, as with *The Normal Heart* and *And the Band Played On*, is ultimately narcissistic.

Nor is it only gay writers or those convinced of AIDS as a social phenomenon who have let the disease colonize their imaginations (and in turn let their imaginations colonize the disease). Michael Fumento's *The Myth of Heterosexual AIDS* promises at first to be an exercise in debunking. Fumento effectively deflates the sensationalism rampant in press and broadcast treatments of AIDS; he describes the public smarminess and private homophobia with which Hollywood has faced the disease; he demonstrates how statistics have been distorted to present future prospects in the worst possible light. He is also refreshingly hardheaded about how political interests on both the left and the right have manipulated the crisis in pursuit of their own ends. Fumento's tone is so commonsensical that one might think he has finally escaped the emotional distortion characteristic of the genre.

Unfortunately, *The Myth of Heterosexual AIDS* is simply panic in reverse. Hard as he tries, Fumento can't make the statistics back up his contention that the likely spread of AIDS among heterosexuals has been oversold. The problem is the one we began with—nobody knows exactly how AIDS spreads via sexual contact. It has been demonstrated that it can be passed from man to woman and woman to man during normal heterosexual intercourse. These modes—the latter particularly—appear far less efficient than anal intercourse, a point Fumento emphasizes heavily. But how much less efficient remains unclear; the variable and often very long latency period of the disease means epidemiological data about the nature and extent of its spread are slow to emerge. There are projections aplenty, but the disease is ahead of us, and the fact that so far it is a relatively minor risk for heterosexuals doesn't mean it will remain so.

To downplay the danger of AIDS to heterosexuals, Fumento makes heavy use of a flurry of 1986 press reports announcing that in one year the proportion of heterosexually transmitted AIDS cases had doubled from 2 to 4 percent of the total. As Fumento correctly notes, this rise was a statistical artifact. It occurred when the Centers for Disease Control decided at first to put Haitians and Africans who had recently moved to America into a category in which the mode of AIDS transmission was "undetermined," and then into the pool of heterosexually transmitted AIDS cases, thus doubling rates without a single new case having emerged. Reassuring. Or is it? It is true, as Fumento says, that rates didn't really double, but it is also true, as long as you accept that AIDS cases among Haitian and African emigrés were heterosexual in origin, that such cases had been underestimated by half. The real source of Fumento's attack on these figures is his belief that many, if not most, of the Haitian and African AIDS cases were homosexual in origin or at least traceable to other factors than "normal" male-female contact. But when we turn back to Fumento's discussion of Haiti and Africa, his arguments weaken. He more or less simply asserts that most Haitian AIDS cases are really homosexual but not admitted as such (there is a brief, lurid picture of homosexual brothels frequented by Americans in Port-au-Prince). Fumento trots out all the shot-in-the-dark explanations for the predominance of apparently heterosexual AIDS cases in Africa—unconfessed homosexuality, lack of circumcision, unsterilized hypodermic needles, a high general rate of sexually transmitted disease. Possible—but far less ironclad and not as reassuring as Fumento would have us believe.

Emotion remains the medium in *The Myth of Heterosexual AIDS*. We're still being yelled at. The screamer in this case is telling us to cool down rather than to gird for apocalypse, but he is shouting nonetheless, and it is ultimately his own passion that is being brought before us rather than the anatomy of an illness.

Of all the widely circulated books about AIDS, only one suggests a more useful, less punishing approach: Susan Sontag's *AIDS and*

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Its Metaphors. It is brief, virtually a pamphlet, and not entirely novel, because it extends to AIDS a discussion begun in her earlier *Illness as Metaphor*. But its point remains wholesome and tonic. We're in peril, Sontag argues, of transforming AIDS from a viral infection into a devouring moral monster, laden with all our meanest and most destructive cultural prejudices. Sontag is the only widely read writer who observes a peculiarly danger-fraught feature of AIDS: the slipperiness with which it's been defined permits it to be invested with all kinds of pernicious metaphors. AIDS was first recognized not by its underlying etiological cause, the human immunodeficiency virus, but by the commonest (and worst) opportunistic infections that characterize the potentially fatal stages of infection: Kaposi's sarcoma and *pneumocytis carinni* pneumonia. Since the early 1980s, however, other infections and conditions have been added to the list as sufficient indicators for the diagnosis of "frank" AIDS, and other diagnostic devices (like T4 cell counts) have come into play as well. As a result, AIDS and its relation to HIV infection have repeatedly been redefined, confusing the statistical picture of the epidemic and turning the disease into a murky universal signifier, fuzzy enough in its outlines to become a touchstone for a dozen kinds of terror. Sontag is astute on this point:

> That AIDS is not a single illness but a syndrome, consisting of a seemingly open-ended list of contributing or "presenting" illnesses which constitute (that is, qualify the patient as having) the disease, makes it more a product of definition or construction than even a very complex, multiform illness like cancer. Indeed, the contention that AIDS is invariably fatal depends partly on what doctors decided to define as AIDS—and keep in reserve as distinct earlier stages of the disease. And this decision rests on a notion no less primitively metaphorical than that of a "full-blown" (or "full-fledged") disease. . . . "Full-blown" is the form in which the disease is inevitably fatal. As what is immature is destined to become mature, what buds to become full-blown, . . . the doctors' botanical or zoological metaphor makes development or evolution into AIDS the norm, the rule.

This isn't simply sharp; it is useful, in ways that none of the other books considered here can match. It gives us some perspective; it helps us to decide, amid the dread and suffering surrounding the epidemic, which evils come from the virus and which from our imaginations. It is perhaps surprising that literary criticism, Sontag's milieu, should prove so powerful a medium for discussion of AIDS. It shouldn't be. We still don't have the scientific, social, or political knowledge to assess AIDS satisfactorily. But we can evaluate the images we've been constructing of it, and these in turn can afford us the distance we need to render the challenge manageable, without minimizing it but also without using it to empower our own most intractable mental demons.

At times Sontag succumbs to the reigning taste for apocalypse. She entertains more or less seriously, for example, Harvard biologist Stephen Jay Gould's speculation that AIDS may ultimately kill off a quarter of the human race. That speculation becomes the basis for a brief indulgence in some are-we-living-in-the-end-of-time rhetoric. But, generally, Sontag is the best kind of skeptic—neither overdramatizing the epidemic nor preoccupied with shooing it away. *AIDS and Its Metaphors* neither whistles nor screams in the dark; both its passions and its detachment are in the right places. It acknowledges the tentativeness of what we know about AIDS and doesn't, like so much other writing in this uniquely 1980s genre, renounce that tentativeness. □

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Yuri Fehér

VERSIONS OF ECONOMIC REFORM

A Complex Debate in Hungary

All too often the impression conveyed by recent coverage of Eastern Europe's revolutions is that the collapse of totalitarianism has already ushered in an era of "capitalism triumphant." Stories of nascent entrepreneurial spirit sweeping the region saturate the press while free-market proselytizers report that Milton Friedman and Margaret Thatcher are the new idols of the intelligentsia. The prognosis is thus confidently spelled out: provided the Soviet Union does not intervene, East Europeans should soon be blessed with an unfettered capitalist economy.

This prognosis is premature. It argues that a single ideology has emerged victorious, though even a cursory overview suggests the opposite. Specifically, there is no reason to assume that an obsession with "markets" signifies the same thing for a Gdansk worker as for an American free-enterprise advocate, nor should one assume that intellectual flirtation with Thatcherism necessarily indicates a desire to transplant British policies to Eastern Europe.

Accordingly, two arguments will be elaborated below. First, I will try to show the degree of complexity characterizing Eastern European debates about the future—with the focus on Hungarian discussions about economic reform. In turn, this overview will suggest that support for a market economy does not necessarily represent a vote for capitalism but is an expression of something else: a desire to become truly Westernized.

Elements of Debate on Economic Reform

Among all Hungarians there is an overwhelming acceptance of the need for economic reform. Isolated pockets of opposition remain, primarily the orthodox Communist "apparatchiks" who refused to join the breakaway reform wing of their party that has become the Hungarian Socialist party. However, the electoral clout of these hard-liners, as reflected in Hungary's first democratic election since 1948, is negligible. The newly elected coalition government is fully committed to a fundamental restructuring of the economy.

Tackling the country's woes will be difficult because the crisis is traceable to a confluence of internal and external factors that squeezed, and subsequently reversed, Hungary's modest expansion precipitated by the 1968 economic reforms. From the mid-seventies, demand for Hungarian exports, which make up nearly half of the national product (GNP), began to wane* due to the manufacturing sector's inability to accommodate the shifts in world demand away from heavy to light industrial products.

For a while the Kádár regime lulled itself into complacency by cashing in on its "liberal" reputation and securing large loans to relieve the growing debt. In the long run, though, the borrowing spree exacerbated the debt problem as the funds were squandered on politically expedient but economically irresponsible projects. In addition, the regime's inability to reform the incentive system, based on quantity rather than quality targets, coupled with the tendency to siphon off earnings of successful

* Estimating Hungary's GNP is difficult. Official figures (*1989 Yearbook of Statistics*) place the 1987 GNP at $200 billion or approximately $19,000 per capita. In contrast, CIA estimates, as reported by the *New York Times* (January 7, 1990), are $92 billion and $8,660 per capita, or less than half.

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industries to keep inefficient ones alive, nurtured a conservative investment strategy that further impeded economic development.

The worsening economic situation did prod the leadership to engage in rounds of innovative reform, culminating in the much touted 1985 reform package, which legalized a limited range of private enterprises. But the regime's refusal to initiate political reforms in conjunction with the economic measures was self-defeating. The attempt to turn over some three-quarters of government enterprises to self-management failed miserably, largely because the rights granted to such enterprises were immediately whittled away. Moreover, confusing regulations and high tax rates sent many of the newly legalized private enterprises underground, thus withholding sorely needed revenues from the state.

The legacy of two decades of erratic experimentation has been disastrous: an antiquated manufacturing sector losing ground in world markets, soaring inflation (currently over 30 percent), worsening shortages, and a crushing international debt of $20 billion, which, on a per capita basis, exceeds even the Polish figures.

Who Wants to Do What and When

Recognizing the severity of the economic crisis, the majority of Hungarians seem willing to undertake painful adjustments. What remains hotly debated, however, is the type of plans needed and the timing of their implementation. Though the views on short-run stabilization and long-run restructuring are extremely diverse, supporters can be distilled into four groups, which, for lack of appropriate terminology, will be identified as "radical pragmatists," "deregulationists," "hedgers," and "third roadists." The unconventionality of these terms mirrors a Hungarian reality in which politics and economics make seemingly odd bedfellows, with politically progressive forces becoming wedded to free-enterprise positions while reformist Communists and center-right parties flirt with one another in expressing support for a strong state-led development.

The radical pragmatists. The fundamental tenet of the radical pragmatists' thinking is the desirability of an immediate, and preferably total, dismantling of state-owned enterprises. The country is bankrupt and, befitting such a state, a national liquidation sale is called for. Only by permitting anyone to snap up a bargain deal in the basement of busted firms can Hungary's swift—albeit painful—transformation into a highly competitive private enterprise-based economy be accomplished.

In conjunction with rapid denationalization, the "radical pragmatists" call for an immediate free-marketization, hoping that the convergence of absolute and relative price levels to those of Western Europe's economies would bring an immediate improvement in resource allocation and a concomitant spurt of economic expansion.

This bold blueprint, proposed primarily by the managerial elite, small-business associations, and some factions of the Alliance of Free Democrats (the country's second largest party), is becoming more popular, though in urban centers opposition remains considerable. A number of well-publicized deals embracing this doctrine by selling factories to foreign consortiums for a pittance ignited passionate protests.* Critics, including prominent free-marketeers, pointed out that selling off the country's assets to multinational companies was likely to create, at best, an erratic prosperity of dependency. Second, considerable hostility exists toward the managerial elite who command large salaries—with the select executive group receiving annual bonuses ranging between three and six million forints ($50,000–100,000)—in contrast to the rapidly deteriorating living standards of most Hungarians. Nor is this resentment a simple matter of envy, since it is well known that many of this elite ascended to their positions due to party

* These include the sale of the light-electronics manufacturer, Tungstram, the country's twentieth largest corporation with an annual production value estimated at approximately $200 million, to General Electric for $150 million; even more astonishingly, the GANZ railway yard (with annual production valued at approximately $100 million) was sold to a British consortium for $4 million cash.

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associations rather than on account of their administrative prowess or business acumen.

Still, the power of the radical pragmatists remains potentially considerable. Their weak urban base is counterbalanced by strength in the countryside, the bastion of the third largest party (the Independent Smallholders), whose platform calls for an immediate dismantling of state collectives and the return of the land to their pre-Communist owners.

The deregulationists. The deregulationist position, subscribed to by the liberal wing of the Free Democrats, offers the clearest and internally most consistent economic vision. While espousing the long-term goal of eliminating, or severely restricting, the government sector, it eschews any dramatic denationalization. As János Kornai, Hungary's guru of this school of thought, warns, a command economy can be assembled overnight, but its disassembly, and the formation of an entrepreneurial class, is a more lengthy affair. Therefore, this "paradigm of entropy" argues that in the long run the government sector will wither away in the face of private sector competition.

The deregulationists would stimulate the private sector in four ways. First, a comprehensive legal reform to replace Hungary's motley laws, which do not extend legal protection to a variety of entrepreneurial activities. Second, a counterinflationary package, including the termination of government subsidies of all kinds—from funding perennial money-losing factories to eliminating price support for housing, transportation, and food. Third, a total deregulation, meaning that in the capital, labor, and finished-product markets of the private sector the forces of supply and demand, and only these forces, are to regulate prices. Finally, the estimated $4 billion savings made by the elimination of subsidies is to be redistributed to the private sector in the form of tax credits and loans, complementing the substantial tax cuts in favor of that sector.

Although deregulationists do not subscribe to rapid denationalization, they are extremely skeptical about the ability of state-owned enterprises to become competitive. Accordingly, they oppose any attempt to salvage the public sector by additional investments and propose, instead, a policy of neglect to enable the fledgling private sector to carve out a progressively larger niche for itself.

This mixture of radical short-term stabilization and long-run denationalization has its adherents, although enthusiasm for its shock therapy prescription is more muted than in Poland. Moreover, critics assail the model on three theoretical grounds. First, some argue that abandoning the strategy of "simulated competition," whereby state monopolies attempt to produce an output quantity at prices they believe would result under competitive conditions, could lead to permanent dualism rather than the gradual disappearance of the state sector.

In addition, the Kornai model assumes that the injection of capital in the private sector can yield rapid results, a hypothesis deemed overly optimistic by many. Furthermore, in the absence of a redistributive income policy favoring the less well-off (and the tax reform advanced here is socially regressive, benefiting the wealthier segments of the population), the deregulationist blueprint puts its faith in the "trickle-down" effects of economic expansion to improve the living standards of the poor. This is a problematic assumption, since even rapid growth under perfectly competitive conditions (devoid of structural distortions favoring the affluent, such as monopolistic ownership of resources) need not lead to equitable income distribution. Indeed, moderate growth coupled with imperfect markets (which would survive in the state sector) is likely to worsen income disparities.

The hedgers. While the radical pragmatists and deregulationists place their faith in the efficacy of the market to heal swiftly the country's economic woes, the hedgers' vision is based on enthusiasm for market reforms modified by a concern regarding their potentially divisive repercussions. This group, composed of social democrats spread among a handful of parties, is acutely aware of the dangers of further eroding living standards in a country where one in four lives below the poverty line.

To counter the threat of a polarization of

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Hungarian society spurred by a free market, the social democrats propose a number of measures. Locally they encourage grass-roots activism, such as the formation of tenant unions and homeless and unemployed coalitions, while at the state level they promise to implement a welfare system that would guarantee a minimum standard of "decent living" for the aged, handicapped, chronically ill and unemployed.

The concern with social welfare notwithstanding, the social democrats are also staunch defenders of the market model. Opposing the continuation of state ownership and displaying little enthusiasm for handing ownership to the managerial elite, these hedgers frequently examine the possibility of workers' ownership and self-management as an alternative to individual private property. Yet, in spite of devising elaborate schemes of self-management, the actual steps taken by social democrats to pursue these objectives are surprisingly tepid.

Consequently, the economic blueprint of the social democrats is hazily drawn with respect to short- and long-run economic reforms. They echo the deregulationists by advocating freeing of markets, slashing the international debt and budget deficits, cutting taxes, eliminating subsidies, and fighting inflation. But they also express concern about the impending repercussions and concoct piecemeal approaches to defend the economically worst-off groups.

Third road visions. Third road approaches seeking a uniquely Hungarian model of economic development first became prominent in the interwar period when a populist-peasantist ideology challenged the conservative view advocating the transformation of the semi-feudal latifundia into capitalist-style agro-business. In the immediate post-war era this vision, as expounded by the social theorist István Bibó, sought a democratic and independent model as an alternative to a Hapsburg- or a Soviet-style state. Currently, however, third roadism has become the rallying call of disparate groups that, for a variety of reasons, find a market-oriented economy unpalatable or threatening.

Their ranks are composed mainly of center-right populists (members of the Hungarian Democratic Forum, the largest party after the March election) with a sprinkling of reform Communists and some socialists.

With the exception of isolated socialists advocating the distribution of the state's assets among the population in the form of shares and stocks, the majority who march under this banner are defenders of state ownership or propose some type of institutionalized ownership subject to state regulation. One prominent plan, for instance, envisages state enterprises converted to a limited number of holding companies that would compete with one another while remaining under ministerial control.

Like the hedgers, the Third roadists appear to lack a coherent blueprint of transformation. Finding themselves in no-man's land, rejecting the discredited command-economy model while remaining hostile to the market-oriented approach, their vision combines Southeast Asian models of development with populist slogans.

From this cursory overview of the economic debates, we may conclude: First, with the exception of the deregulationist models, there is, as yet, no viable and internally consistent vision to guide Hungary toward, or away from, a market economy. This should come as no surprise, given that the dismantling of a command society is a unique challenge, never before undertaken.

However, the opaqueness of economic propositions cannot simply be understood in terms of economics. Indeed, the salient feature of the Hungarian debates is the perplexing cluster of political alignments regarding the central issue of marketization. The promarket forces, combining the radical pragmatists, deregulationists, and hedgers, represent a diverse spectrum, from Smallholders to social democrats, the latter clinging to the somewhat paradoxical position of pursuing deregulation while espousing some type of welfare state as their ideal. In contrast, under the canopy of Third roadism, populists and remnants of the Communists gather to form an uneasy alliance.

This basic cleavage separating third roadists

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from the rest, coupled with the diversity within each camp, suggests that the concept of the "market" cannot be adequately captured by a straightforward association of promarketism with procapitalism. Rather, the fundamental conflict appears to be, at this stage at least, between a vote for Westernization and a vote against it. No doubt, many who favor the former do so in order to see unbridled capitalism take root in Hungary; for others, "market" contains no ideological message but has become an almost magical incantation, an "open sesame" password that is expected to bring instant gratification to the consumption urges. And yet, there are those for whom a vote for "the market" is nothing less, nor more, than an affirmation of the desire to join the community of Western European democracies. Concurrently, the vote for marketization is an emphatic vote against third roadism, which, it is feared, could easily lead to the Third World.

Finally, it should be emphasized again, Hungary remains in a state of flux. The specific nature of the economy and society that will eventually emerge cannot be foretold; it can only be guessed at and hoped for. □

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Ernest Erber

VIRTUES AND VICES OF THE MARKET

Balanced Correctives to a Current Craze

Not since they encountered it in nursery rhymes have references to the market so intruded into the consciousness of Americans as in recent months. There is now a virtual consensus that the market is the natural state of economic affairs, and its creation in nations not yet blessed with it is the prescription for every economic ailment. This makes vague good sense to most Americans, for whom the market has pleasant associations. Not surprisingly, for the market has long since come to determine their tastes and values, their very lives.

This new consciousness of the market reflects, of course, the events triggered by Gorbachev's announcement that the Soviet system, having sinned against the market and God (in that order of importance), requires restructuring on the basis of the market—with a tip of the hat to God.

Meanwhile, infatuation with the market seems most pronounced in Eastern Europe, where the people get just enough of a glimpse to be smitten by its allure but remain maddeningly unable to embrace it. For most Soviets, the market is still too distant to be a realistic prospect. Most West Europeans accept the market with sophisticated reservations: alert to possible failings but overwhelmed by evidence of success and increasingly drawn to American-style consumerism.

Democratic socialists—above all, European social democrats—increasingly accept the market as the only realistic basis for economic growth, increased wages, and social reform. And now they seem also to believe that the market can accommodate the transformations necessary to achieve social democracy's most far-reaching goals.

This worldwide consensus would not exist if it did not reflect a body of evidence that links the market with economic growth, increased productivity, and improved living standards. That this historical progress has been facilitated by the market's competitive and entrepreneurial incentives cannot be contested. Neither can the beliefs that the market's function as a pricing mechanism has historically contributed to economic stability conducive to growth, even if plagued by a persistent tendency toward inflation in recent years, nor that the market's negative, even self-destructive, side effects have been largely diminished by state intervention through regulation, credit-budget-tax policies, price supports, and social welfare programs.

But does this frequently cited evidence suffice to sustain the view that the market has proved itself to be the most feasible—if not the only—economic institution for the optimum development of productivity and, above all, for the most rational allocation of goods and services? And, with respect to the future, does the evidence prove that the market is a mechanism for social change that can go beyond capitalist property relations to accommodate the progressive transformation identified as democratic socialism?

These questions lead to asking which areas of evidence were not probed, and should have been, in establishing the consensus view of the

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market. Let me glance at three major areas of inquiry:

1. The identification of the market's distinctive historical role, examined apart from such related phenomena as (a) the Industrial Revolution and subsequent technological progress, (b) the rise of capitalist production methods, and (c) the economic role of the state as "jump-starter" and crutch.

2. The intrinsic negative side effects of the market and the questionable effectiveness of political intervention in overcoming them.

3. The limits of the market's susceptibility to goal-oriented social policy.

Nature of the Market

Let me first set down a few concepts on the nature of the market. The market of modern times cannot be understood if perceived simply as the continuity of barter, trade, commerce, and so on that served organized societies throughout history. The market as we know it today is the historically specific product of industrial capitalism and can only be understood if perceived as such. Integral to capitalist society, it permeates its every aspect. Referring to this historically unique institution by capitalizing it as a proper noun (a practice recently initiated by Robert Heilbroner) enhances clarity.

The Market is, essentially, an economic decision-making process that determines the allocation of society's resources by deciding what and how much is produced and how and to whom it is distributed. Those who participate in this process are buyers and sellers who "meet" in the "marketplace," though they are not only individuals, since buyers and sellers also include businesses of all sizes, farmers and professionals as groups, governments at all levels.

As an alternative to the Market, society's resources can also be directly allocated by political decisions of government (that is, by "command"). Government can also act deliberately to influence indirectly how the Market functions indirectly. Those who determine a government's economic role are citizens, governing officials, and administrators (including, sometimes, planners, though every governmental impact upon the economy should not be called "planning" and, in the United States, it almost never is that). Within capitalist economies, the purpose of governmental intervention in the Market is twofold: (1) to facilitate the functioning of the Market by protecting it from its shortcomings, including tendencies toward self-destructiveness; (2) to supplement the Market by providing those goods and services that the Market has no incentive to supply because they do not entail a profit (public schools, social welfare, low-cost housing, infrastructure, and so on).

The extent to which government should influence the economy is an issue that has been fought over for a very long time. Charles E. Lindblom begins his definitive *Politics and Markets* by observing that "the greatest distinction between one government and another is in the degree to which market replaces government or government replaces market. Both Adam Smith and Karl Marx knew this."

The word "degree" is used by Lindblom deliberately, for neither the Market nor government replaces the other completely. Thus all economies are a mix of the Market and political decision making. Even the totally mad Stalinist effort to eliminate the Market in Soviet-type societies fell short of complete success, for these societies had to tolerate market operations in corners of the economy, either by compromise, as in permitted sales from garden plots of collective farmers and *kolkhoz* "surplus" production, or through black market sales of scarce commodities, tolerated because they were considered helpful to the economy.

Another variant of madness, though largely rhetorical, is the Thatcherite and Reaganite pronouncements about getting government out of the economy and "letting the market decide." After a decade of such huffing and puffing, the role of government vis-à-vis the economy, both in Great Britain and in the United States, remains essentially unchanged, some privatizations notwithstanding.

The Market as a decision-making process acts somewhat like the neurotransmitters of the brain, sending messages that trigger decisions,

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serving as a link among the economy's leading actors: capital, labor, and consumers. It triggers action in response to supply and demand, offers and orders, and incentives that provide opportunity. (That is why "the market process" as used by its theorists/apologists in the Adam Smith–Van Mises–Hayek tradition is, perhaps, more accurate than the term "the market," which tends to suggest an actual place.)

The mass of consumers who make their "buy" decisions through the Market process (so-called consumer sovereignty) exert unequal economic weight and consequently have unequal impact. They include the Pentagon, businesses from General Motors to a Mom-and-Pop store, individuals and households, buying stocks, bread, oil, transportation, bombs, dynamos, ranches, bonds, Bibles, pornography, steel mills, clothing, you name it.

The Market exists subject to the power of government: the right to buy/sell and produce/develop prevails within the constraints of laws enacted to serve policy objectives. Now that politics has come to dominate the economy, it also dominates the Market. And although government appears to be loosening its grip on the economy within most (ex)communist nations, it continues to tighten its grip in the capitalist world, for instance, in the planned emergence in 1992 of a new and more advanced stage of the European common market, with a common currency and central European bank.

The Market shapes the economy—and society as a whole—by virtue of its impact upon production rather than, as widely supposed, upon distribution. For in a Market-dominated society, what can be sold determines what is produced. In turn, what is produced determines the allocation of capital and the employment of labor. It follows that the Market process is but the buy/sell linkage of the economy's three functional markets: the capital market, the labor market, and the goods/services market. (In a Market-based economy, capital and labor are treated, for the first time in the history of economic institutions, as commodities—and bought and sold accordingly.) The Market shapes societal development by determining where and how capital is utilized (that is, invested), and, consequently, employment by volume and type, land use, and population distribution, and a myriad of other economic, social, cultural, ecological, and political trends.

The Market's Historical Context

The Market took shape when the Industrial Revolution transformed mercantile capitalism, which existed marginally in late feudal society, into industrial capitalism. We owe our understanding of the historical uniqueness of the Market largely to the work of Karl Polanyi, especially his *The Great Transformation*. In an essay written shortly after World War II, Polanyi observes that

> the birth of laissez faire administered a shock to civilized man's view of himself, from the effects of which he never quite recovered. Only very gradually are we realizing what happened to us as recently as a century ago. . . . A chain-reaction was started—what before was merely isolated markets was transmuted into a self-regulating *system* of markets. And with the new economy, a new society sprang into being.

Its basis was the transformation of land and labor into commodities, to be bought and sold in the marketplace, whereas all previous societies had

> restricted markets to commodities in the proper sense of the term, with land and labor subject to public regulation or self-regulation (as with the guilds).
>
> Aristotle was right: man is not an economic, but a social being. Man's economy is, as a rule, submerged in his social relations. The change from this to a society which was, on the contrary, submerged in the economic system was an entirely novel development.

The Market, therefore, originated with the Industrial Revolution and the capitalist mode of production. To what extent was it a contingent relationship? It might be argued with considerable evidence that the rapidity with which the Industrial Revolution developed and spread was due to the Market and the capitalist mode. But it cannot be reasonably argued that the Industrial Revolution would not have taken place in the absence of the Market and capitalism. The Industrial Revolution was the

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product of the growth of scientific knowledge and technological invention, in the first place, and only secondarily a product of socioeconomic phenomena. (There is also the evidence of Soviet industrialization, which was neither a product of the Market nor of the capitalist mode.)

But of a higher order of significance is the question as to whether the Market-driven development of the Industrial Revolution could have occurred without the capitalist mode of production. This question is relevant to the future of Eastern Europe and the Soviet Union and is at the heart of the controversy now being joined there, as the Market is featured with its ties to the capitalist mode obfuscated.

Insofar as this question also encompasses the issue of "market socialism"—that is, market relations without capitalist relations—its significance includes all of Europe and, ultimately, the industrial world. This is likely to be *the* question of the twenty-first century.

A final aspect of the Market's historical context is the largely forgotten role played by the state in getting market-based economies off the ground in various parts of the world. Japan, Prussia, and Czarist Russia are outstanding examples of the state's role in "jump starting" both capitalist production and market relations through generous credit, subsidies, enactment of special rights, licenses, and so on. Government construction of infrastructure often played a key role.

What we can conclude is that the prevailing view that attributes the material progress of human societies during the last century or two *solely* to the Market is fallacious, because the Market's contribution cannot be sufficiently separated from that of the Industrial Revolution, the capitalist mode of production, or the nourishing role of the state. To the extent that references to the Market are euphemistic in order to advocate capitalism under another name, there is an implied admission that the Market cannot be separated from capitalism, that is, private property in the means of production, labor as a commodity, unearned income, accumulation, and so forth. But insofar as there now exists an effort to utilize the Market's virtues, while straining out its vices, in order to serve the common welfare, an assessment of its feasibility cannot be made until we have clearer insights into how it would resolve a number of contradictions that seem to make this objective unworkable.

The Market's Side Effects and Political Remedies

The following descriptions of the Market's side effects are valid, on the whole, though in some cases not entirely separable from other causes. The rationale of the Market is competition—for survival and gain. It pits each against all in social Darwinian "survival of the fittest": worker against worker and entrepreneur against entrepreneur, capital against labor and producer against consumer. The weak are eliminated and the strong survive, resulting in the trend toward concentration and monopolies. Businesses live by the "bottom line," with an incentive toward price gouging, adulteration, misrepresentation, environmental degradation. Product or service promotion caters to every human weakness. Advertising seduces consumers to develop endless wants. The central effect is to subvert human solidarity and civic responsibility.

The multitudinous buy/sell decisions that drive the market process are made in total ignorance of their collective impact, as expressed in Adam Smith's now hoary "unseen hand." Its social impact causes society to "fly blind," as when millions of individually bought automobiles collectively spell traffic gridlock and death-dealing air pollution. Government seeks to overcome these destructive results by regulating the manufacture of automobiles and gasoline. If this fails, as is likely, government will have to turn to long-range planning of alternate transportation, replacing private automobile trips with public conveyances. This will be a political decision to allocate resources from the private sector's automobile solution to the public sector's rail and bus solution. This is only one example of the choices between decisions by the Market and by the political process (made with or without planning).

The nineteenth-century laissez-faire market process, almost total economic determination by consumer demand, eventually proved un-

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workable. This was capitalism as Karl Marx knew it, and unworkable as he had predicted. During the course of the twentieth century, laissez-faire gave way to large-scale political intervention, resulting in state-guided and, increasingly, state-managed capitalism, with the state's control of money flow through central banks (Federal Reserve in the United States), credit control, tariffs and quotas, subsidies, tax policy, industrial and agricultural loans, price supports, wages policy, loan guarantees, savings incentives, marketing assistance, stockpiling, and various regulatory controls. This continuing transformation of market-based economies, which has come to be known as the Keynesian Revolution, is likely to be viewed by historians as of greater significance than the Soviet Revolution.

The proportions of market vs. political decision making in economic affairs does not necessarily reflect the proportions of private vs. state ownership of the economy. State-owned industries in countries such as Austria, Italy, and France, where they form a high proportion of the economy, are largely indistinguishable from the private sector in operating by the rules of the Market to produce in response to consumer demand. On the other hand, despite a relatively small nationalized sector, the state in Sweden is omnipresent in managing economic affairs. *The current widespread tilt toward privatization does not, therefore, diminish the trend toward an increased role of the state in economic affairs.*

The Market process demands that those who wish to participate pay admission. Those who cannot afford to get in—or who drop out—fall through the cracks; if lucky, into a social safety net. As the burden increased beyond private charities' resources, government was forced to assume it and the twentieth century's "welfare state" emerged. Its "transfer" programs of public goods and services exist outside the Market for those who cannot make it within.

The insecurity of various categories of entrepreneurs (such as farmers, oil drillers, ship owners, owners of small businesses, bank depositors), caused by the instability and unpredictability of the market process, led these entrepreneurs to use their political power to seek public assistance through subsidies, loans, insurance, "bailouts," and so forth, eventually becoming entitlements. The latter, together with welfare state transfer payments, proliferated and grew enormously, in part because they reflected the universal transition within affluent societies from satisfying needs to meeting wants. Adding these to the cost of traditional categories of public goods and services (such as national defense, public schools, parks, libraries, streets and roads) resulted in ballooning governmental budgets and the diversion through taxation of increasing proportions of the GNPs of industrial nations to their public sectors.

This had the effect of cutting into the availability of accumulated capital for investment in direct wealth-producing enterprise. Government response differed sharply, depending upon whether it followed a national economic policy or relied upon the Market. Sweden, an example of the former, tapped its Supplementary Pension Program to create the so-called fourth fund for targeted industrial investment, creating and sustaining employment that yielded a flow of payroll deductions back into the fund. The United States, on the other hand, permitted Market forces to drive up interest rates, bringing an inflow of foreign capital and an outflow of dividends and interest.

But, regardless of how the problem is managed, there are political limits to the diversion of funds from the private sector to the public sector via taxation. This can be seen in the "tax revolts" in Europe and the United States in the last two decades, which also had repercussions in the Scandinavian countries, including Sweden. This diversion also triggered the resurgence of laissez-faire ideology and right-wing politics.

Even for those countries in which the Market successfully accumulates the "wealth of nations," there results a lopsided inequality of distribution within the population, resulting in recurring economic instability and social confrontation. (Brazil, a country with the eighth largest Market-based economy in the world, leads all others in polarization between rich and poor.) The Market process generates cyclical

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and chronic unemployment, bankruptcies, mass layoffs, over- and underproduction, strikes and lockouts, and many other kinds of economic warfare and social tension. There is good reason to believe that the sharp shift in income from earned to unearned during the 1980s will be reflected in rising class conflict in the 1990s.

The Market is not a surefire prescription for the "wealth of nations" because its acclaimed incentives, acting as a spur to economic development, are also historically specific. Just because eighteenth-century England used the Market process to turn itself into a "nation of shopkeepers" and nineteenth century England used it to lead the way in the Industrial Revolution to become the "world's workshop," is no assurance that, at any other time in history, people of any other culture and level of development can similarly use the Market to the same end—notwithstanding the examples of Western Europe, the United States, Canada, and Japan. (South Korea and Taiwan, judged by their per capita incomes, have not yet made it.)

Internationally, the Market has resulted in hierarchical ranking of nations by wealth, grouping a fortunate few as the rich nations and the rest as relatively or absolutely poor. Market-process relations between the industrially developed nations and the rest take the form of the developed responding to the consumer-driven demands of the underdeveloped for investments, loans, goods, and services, thereby aggravating their dependency, and frustrating their ability to accumulate enough capital to significantly improve their productivity (Argentina, Brazil, Mexico, Egypt, India, to name some).

In summarizing the Market's negative side effects we have noted that it flies blindly; that its growth becomes destructive of communitarian values and institutions and of the natural environment; that its "work ethic" becomes exploitation, even of children (child labor is again on the rise in the United States according to the Department of Labor); that it reduces the cost of production but also triggers inflation; that it produces a cornucopia of goods but also mountains of waste; that its pharmaceutical research lengthens lifespans, but its chemicals (pesticides and herbicides) shorten them; that it makes feverish use of humankind's growing power over nature, born of scientific and technological progress, but puts profits above ecology and market share above the need to conserve natural resources; that it provides conveniences, comforts, and luxuries for an increasing number but shows no ability to close the widening gap between haves and have nots, neither within nor between nations. But, above all, the Market, despite Keynesianism, operates in cycles of boom and bust, victimizing businesses, large and small, farmers, professionals, and wage workers. Left to its own devices, the Market is inherently self-destructive.

Though the Market's negative side effects can be countered through government intervention and largely have been, such countering tends to be ameliorative rather than curative, and often raises new problems requiring additional intervention, thus reinforcing the overall tendency for the state to backstop the Market. But, despite this, Market economies still move blindly, though increasingly within broad channels marked out by government. The Market economy still overheats and runs out of fuel, but government now acts to cool it and then to fuel it (and even attempts to "fine tune" it). Will it prove a viable arrangement in the long term for government to treat the Market as if it were an elemental force of nature?

The people seem to want the benefits of the Market, but look to government to minimize the dreadful side effects that come with it. But one person's "dreadful side effects" are another person's sweet accumulation of capital. Translated into social relations, this conflict of interests expresses itself as interest-groupconfrontations and social-class struggles. And as decision making in economic affairs continues to shift from the Market to the political process, an ever fiercer political resistance is mounted by the interest groups and classes whose power is far greater and more direct in the Market than in the political arena—for instance, the resurgence of the new right in waging ideological and political warfare on behalf of laissez-faire policies.

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The Market's Thrust vs. Societal Guidance

Understanding the direction in which the Market is likely to move in the next few decades is critically important to an assessment of its capacity to accommodate solutions for outstanding problems. In the past, especially since World War II, the Market's contribution to easing the great problems of civilization has been in the form of economic growth. The nature of the problems that now loom, however, makes them less subject to solution through economic growth. The rising tide that once raised all boats now leaves many stuck on muddy bottoms.

Market-based growth has not demonstrated an ability to reduce the glaring inequality in living standards and in educational/cultural levels within and between nations. In the United States during the last decade the gap between the bottom and the top of the income quintiles has widened. And growth solutions now generate new problems: the degradation of the natural environment on earth and in space; the exhaustion of natural resources; the emergence of *social* limits to growth, caused by the level at which acquisition of goods, services, and facilities by enough people spoils the advantages of possessing them; the puzzle of insatiable wants after basic needs have been satisfied (when is enough enough?). There are also the growth of private affluence and public squalor; an individualistic society's reluctance to resort to collective solutions (national health care) before first going through the agony of postponing the inevitable, and other looming problems sensed but seemingly too elusively complex to articulate. These problems join a long list of old problems that go unsolved to become a leaden weight on progress.

Is there reason to believe that the Market's failure to cope with these problems will (or can) be remedied in the future? Is there anything in the nature and function of the Market that is likely to redirect its performance to be able to solve these problems? Are any of its negative side effects going to be eliminated, except insofar as governmentally applied correctives can curb them without altering the overall thrust of the Market? Left to its own devices, the Market's current trends are likely to expand and exacerbate problems. Are any countervailing forces in view? Yes.

One is the sharpening competition in the world market. The latter is being badly misread. True, a coded message on a computer or fax machine can transfer billions of dollars overseas at the end of the business day and retrieve it first thing in the morning—with earnings added. True, multinationals no longer fly a single flag. But national interests are as sharply defined as ever. And waging war with economic weapons has not reduced competitiveness and aggressiveness. The competitors are dividing into several major blocs: North America (the United States plus Canada and Mexico), Japan (plus the Asian rim countries) and a united Europe. The goal: market share. As Japan has shown (and also Europe to a lesser extent), this warfare requires maximum mobilization of economic resources: capital, management, knowledge-industry, and labor. Japan has shown that the way to bring these together is by making them all part of the corporate state. The power of Japan, Inc. is recognized in all American boardrooms, though a much smaller nation, Sweden, has also used the corporate strategy brilliantly. The striking similarity of Japanese and Swedish economic strategies, though for different social ends, is largely overlooked because the former is dominated by corporations and the latter by organized labor acting through the Social Democratic party.

The corporate state strategy has antimarket overtones. Rather than letting the market decide, it operates through strategic planning and a national industrial (investment) policy. If global market share is the goal, the nation's consumers had better not be permitted to decide on the allocation of resources. Laissez-faire America illustrates why not. The consumers opt for second homes, third cars, snowmobiles, Jacuzzis, and Torneau watches, thereby short-changing education at all levels, skill retraining of the labor force, housing, and health care—all essential ingredients in mobilizing resources to fight for market share.

The last thing any nation needs or will ever want after the debacle of the Stalinist model

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is an administrative-command economy (misnamed "planning"). Let the Market process determine the number, style, size, and color of shoes. And similarly for other basic needs and reasonable wants. But the nation also has collective needs, and the polity should determine the allocation of resources to supply them. Because this cannot be determined by the blind outcomes of the Market, the latter must be subordinated to strategically planned priorities designed to serve an overriding common purpose.

If coping with the major problems facing humankind in both its social and natural environments requires societal guidance, it necessitates setting goals and choosing strategies to achieve them; in short, strategic planning. This calls for conscious, deliberate, and coordinated measures to mobilize a nation's resources. The American people with its Market-instilled value system is decidedly averse to this (except in time of war, when by political decision a goal-oriented government controlled wages, employment, prices, profits, manufacturing, and construction).

The twenty-first is not likely to be an American Century. Clinging to the Market, the negation of societal guidance, we might not even come in second. More likely we will be third, after a united Europe and an Asian-rim dominant Japan operating with strategic planning. Americans are more likely to be content with nursery reveries of

To market, to market, to buy a fat pig,
Home again, home again, to dance a fast jig. □

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Alexander Stille

WHAT THE HOLOCAUST MEANT

The Thinking of Primo Levi and Jean Améry

A decade ago there appeared in English translation a remarkable little book, At the Mind's Limits, *by Jean Améry. It was a book that struck many of its readers as one of the most thoughtful and abrasively honest reflections (to quote from Améry's subtitle) "by a survivor on Auschwitz and its realities."*

Now, Pantheon Books has reissued At the Mind's Limits, *with a foreword by Alexander Stille, which tells the story of Améry's tragic life and contrasts his views about the Holocaust with those of Primo Levi. With Pantheon's kind permission, we print below Stille's essay.*—EDS.

After reading *At the Mind's Limits,* first published in 1966, Primo Levi felt compelled to write its author, Jean Améry. The two, after all, had so much in common: both were deeply cultivated, nonreligious Jews who had joined the antifascist resistance and been deported to Auschwitz, and both had written powerfully about their experiences. And yet, while admiring each other's work, the two had significant differences: Levi's books carried a message of hope, Améry sounded an unmistakable note of despair. Améry somewhat sarcastically referred to Levi as "the forgiver"; Levi described Améry as "a lonely cantankerous philosopher" whose passionate anger made it impossible for him to adjust to life after the concentration camp. When Améry committed suicide in 1978, Levi was not surprised.

Nonetheless, in 1986, when Levi wrote his last book on Auschwitz, *The Drowned and the Saved,* the figure of Améry loomed large in his mind. Levi found himself reaching some of the same stark conclusions Améry had arrived at twenty years earlier, while remaining in sharp disagreement with others. Indeed, Améry is the intellectual angel with whom Levi wrestled as he struggled to clarify the ultimate meaning of the Holocaust after the passing of forty years. When Levi committed suicide the following year, many readers and critics pointed to the chapter on Améry in *The Drowned and the Saved* as the interpretative key to understanding Levi's own death.

With the reissue of Améry's *At the Mind's Limits* we have the other half of one of the most interesting intellectual dialogues of our time.

It would be a mistake to draw too close a parallel between Améry and Levi simply because of their common fate; they remain two very different writers. But nonetheless they are two of the best minds to explore the implications of what Levi has called "the central event, the scourge of our century."

Jean Améry was born in Vienna in 1912 with the name Hans Maier. Améry is an anagram of the alternate form, Mayer. The story of how Maier become Améry is the story of his life. Maier's father was Jewish but died fighting for his Kaiser before his son could get to know him. "The picture of him," Améry writes, "did not show me a bearded Jewish sage, but rather a Tyrolean Imperial Rifleman in the uniform of the First World War." Maier's mother, of mixed Jewish and Christian descent, invoked the aid of Jesus, Mary, and Joseph and celebrated Christmas. While Maier grew up with a weak and confused sense of Jewish identity, the radical laws promulgated by Hitler in 1935 left no room for ambiguity: like it or not, by blood, Maier was a Jew and an enemy of the Third Reich. Maier, while studying

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philosophy in Vienna, immediately opposed the rise of Nazism. Although a timid, introspective intellectual, Maier summoned the courage to challenge early Nazi organizers in Vienna and lost a tooth to a Nazi fist. He wore the gap in his teeth with pride, he writes, like a dueling scar.

In *At the Mind's Limits,* Améry recalled the day in Vienna when he first read the Nuremberg Laws and understood that his life had changed irrevocably:

> I do not believe that I am inadmissibly projecting Auschwitz and the Final Solution back to 1935 when I advance these thoughts today . . . that in that year, at that moment when I read the Laws, I did indeed already hear the death threat—better the death sentence. . . . To be a Jew, that meant for me, from this moment on, to be a dead man on leave, someone to be murdered, who only by chance was not where he properly belonged.

After watching Austria welcome German troops into Vienna, Maier fled illegally to Belgium. But soon, in 1940, German troops joined him there. Maier entered the Belgian resistance but was arrested in 1943. As a partisan Maier was tortured by the Gestapo and as a Jew he was sent to Auschwitz. Following his liberation, Maier returned to Belgium and forged a new identity as Jean Améry, journalist and philosopher.

Améry avoided the subject of Auschwitz until 1964, when a German radio program asked him to give a lecture on his experiences. But after beginning to reflect on his past, Améry did not finish until he had written *At the Mind's Limits*.

The twenty-year silence is crucial to understanding the bitter tone of the book. While Levi wrote *Survival in Auschwitz* (originally published under the title *If This Is a Man*) in the euphoric flush following his liberation in 1945, Améry wrote *At the Mind's Limits* at a time when a certain fatigue and impatience had begun to surround the subject of the Holocaust. Out of political and economic necessity, Germany had been quickly "normalized" and transformed almost overnight from enemy to ally. Those who had profited and thrived under the Third Reich resumed, for the most part, places of power and respect. All but the most heinous war criminals were left unpunished or given mild sentences. Suddenly, it became rude, inappropriate, and mean-spirited to dwell on the past, or to speak of German guilt or collective responsibility. "The generation of the destroyers—the gas chamber constructors, those ready at any time to sign their name to anything, the generals duty-bound to their Führer—is growing old with honor," Améry wrote. While the rest of the world moved on to other problems and the Holocaust receded into the background, Améry continued to feel his wounds as freshly in 1964 as he did in 1944. Thus Améry felt increasingly out of tune with the world, a kind of living anachronism, carrying an untimely message. While he fully recognized that healing, forgetting, and letting go are natural processes, Améry fought against them as a violation of his own experience. "In two decades of contemplating what happened to me, I believe to have recognized that a forgiving and forgetting induced by social pressure is immoral," he wrote. "What happened, happened. But that it happened cannot be so easily accepted. I rebel against my past, against history and against a present that places the incomprehensible in the cold storage of history and thus falsifies it in a revolting way."

Having read countless Holocaust memoirs, including Levi's *Survival in Auschwitz,* Améry was determined not to duplicate their work. As a philosopher, Améry wanted to take a more speculative approach. He set out to answer a number of general questions: Was it an advantage to be an intellectual at Auschwitz? What does physical torture do to a person's sense of his own body and his place in the world? How much home does one need? What should the survivor do with his feelings of anger and resentment? To what extent are the German people collectively responsible for the genocide? How has history absorbed the experience of the Holocaust?

However, what was framed as a series of philosophical essays turned, almost involuntarily, into an intensely personal, autobiographical work. "Where the word 'I' was to be avoided completely, it proved to be the single useful starting point," he explained. The result is a hybrid literary form that Améry calls "a

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personal confession refracted through meditation."

There is a common scientific spirit to both Levi's and Améry's writings. As a chemist, Levi could not help regarding the camp at Auschwitz as an enormous laboratory for one of history's most grotesque experiments. But while Levi stuck closely to observable, external reality, Améry's subject of study is himself. While Levi tries to keep his subjective reactions in check as he writes, those subjective feelings are precisely what Améry is interested in studying. Strongly influenced by German phenomenology and French existentialism, Améry analyzes the internal workings of the self when placed under the extreme pressures of persecution, exile, torture, and imprisonment.

As he began *At the Mind's Limits*, Améry was especially interested in Levi's *Survival in Auschwitz* because it treated a subject of particular interest to him: the intellectual at Auschwitz. Both writers agree that on a practical level the intellectual was a disadvantaged member of the camp community. Inmates with manual skills—mechanics, tailors, masons, and carpenters—were particularly useful to the Germans; soft-handed intellectuals were relegated to the most brutal and dangerous outdoor manual labor. Levi, however, with his chemistry background, was an exception to the rule.

On a deeper level their experiences differed even more. Not only had Améry's education proved of no practical use in the camp, but spiritually, he felt it had failed him utterly. Pious Jews and Christians, as well as orthodox communists, drew strength from their faith but the cogitations of the skeptical intellectual only further weakened his resistance. "In the decisive moments their political or religious beliefs were of inestimable help to them, while we skeptical and humanistic intellectuals took recourse, in vain, to our literary, philosophical, and artistic household gods," Améry wrote. "In most cases they brought no consolation, at times they appeared as pain or derision; most frequently, they trickled away in a feeling of complete indifference."

Conversely, Levi found that the shreds of culture he was able to maintain through conversations with fellow inmates served to help preserve that minimum core of humanity necessary to sustain him through his imprisonment. He used his education to study and understand the people around him, and by insisting on seeing them as human beings and not as things, Levi believed he avoided the despair in which so many drowned. When he wrote about the camp years later, this same emphatic process became the secret of his art.

At a certain moment, however, Levi's and Améry's experiences mirror one another to an astonishing degree. Both recount moments in which suddenly, in the horror of Auschwitz, they began to recite verses of poetry. But the different twists these two episodes take help define the sensibility that separated them.

Levi recalled a day in which he tried to explain the poet Dante to a young French inmate and recited fragments from a canto of *Inferno*. For Levi, this brief moment of communication, albeit in broken French, was a small triumph against the dehumanization of the camp. Restoring a link with the past, with the world outside the camp, lifted his morale. Levi wrote that he would have given a day's ration to remember the rest of the verse.

Améry noticed a flag waving atop a building as he trudged into camp after a day's labor and found himself muttering a favorite line from the German poet Hölderlin: " 'The walls stand speechless and cold, the flags clank in the wind.' Then I repeated the stanza somewhat louder, listened to the words' sound, tried to track the rhythm, and expected the emotional and mental response that for years this Hölderlin poem had awakened in me. . . . But nothing happened. The poem no longer transcended reality."

At another point, Améry describes seeking out the same kind of intellectual companionship Levi had found in the French inmate to whom he had recited Dante. Améry heard that a well-known French philosopher had arrived as a prisoner in the camp and, at considerable personal risk, sought the man out. But when Améry tried to engage him in conversation, the professor from the Sorbonne fell silent: "The man had not become insensitive, nor had I. He simply no longer believed in the reality of the

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world of the mind, and he rejected an intellectual word game that here no longer had any social relevance."

What may help to account for the radically different experiences of Levi and Améry is their differing national origins—something Améry himself points out. The culture that Améry turned to in his moment of need was the culture of Germany, the nation that had rejected him, declared him a nonperson, and chased him across Europe for the purpose of killing him. Among the passages of greatest pathos in this book are those dealing with the particular trauma of the German-Jewish intellectual whose pain at being rejected was directly proportional to the strength of his passion for German language, literature, music, and philosophy. As Améry observes, "his spiritual and esthetic heritage had passed over into the uncontested and uncontestable ownership of the enemy."

This was true not only of the culture but of the German language itself. Améry tells of an extraordinary incident that occurred in Belgium during the German occupation. One day, Améry and several friends in the resistance found themselves face to face with a member of the German SS who had come to their apartment to complain about the noise. The SS man spoke the local dialect of the Austrian region where Améry himself had grown up, and Améry had to suppress a strong desire to greet his countryman in his native tongue—something that would have quickly betrayed his fake identity. Hearing the language of his childhood from the mouth of his potential assassin drove home to Améry with finality that he no longer had a home.

This was not the case for Primo Levi. Although Italy had passed its own shameful version of the racial laws in 1938, Levi did not feel himself to be living in a hostile society. The fascist racial campaign was a purely opportunistic maneuver of Mussolini rather than the expression of popular will. Despite the racial laws, Levi was allowed to finish his university degree, and he always attributed the fact that he graduated with highest honors in chemistry from the University of Turin to the fact that his professors wanted to quietly express their dissent from the racial persecutions. Italian Jews were not deported until the German army invaded Italy in September 1943; and Levi was deported by Germans, not Italians. The period of persecution took a much larger chunk of Améry's life than it did of Levi's: Améry lived the life of a hunted animal from the time of the German annexation of Austria in 1938 until his liberation in 1945, while Levi's period of actual imprisonment lasted little more than a year.

Améry emerged from Auschwitz with nothing to go home to, while miraculously Levi's world was almost entirely intact. Like the vast majority of Italian Jews (85 percent), Levi's family survived, and he returned to live in the house where he had grown up, and where he, in turn, raised his own family. During his career as a writer, he wrote his books in the very room in which he had been born. Levi had the comfort of a continuity that was impossible for Améry.

It is hardly surprising, therefore, that the verses of Dante were a comforting reminder of home to Levi, while the lines of the German Hölderlin struck Améry's ears with a lonely, alien ring.

Another critical factor in Améry's formation is his experience of torture, to which he dedicates a chapter in *At the Mind's Limits*. In a chilling passage that Primo Levi quoted on two different occasions, Améry wrote: "He who has been tortured remains tortured. . . . He who has suffered torture can no longer feel at ease in the world. Faith in humanity—cracked by the first slap across the face, then demolished by torture—can never be recovered." Torture for Améry, Levi wrote, was "an interminable death."

Améry felt that his experiences had irreparably changed the moral universe. All of the norms and certainties on which he had been raised—family, friendship, homeland, philosophy, literature, language—were stripped one by one from him until he was nothing but a body. And finally, even his mastery and control of his body was violated through the experience of torture. Torture, Améry understood, has profound philosophical implications: the body is normally the boundary that separates the self

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from the world, and with torture that boundary is violated. The result for Améry was a loss of trust in the world on which we all implicitly depend.

Having had every moral certainty literally beaten out of him in the Gestapo torture chamber, Améry found his pain to be the only solid reality he could believe in. It became for him the starting point of knowledge, the irreducible substratum of reality on which to build.

Rather than trying to discard the memory of his pain, Améry held on to it and tried to use it as an internal compass in a morally distorted world. In the chapter "Resentments," Améry gives a moral justification to his feelings of resentment and anger, and the desire for revenge. "The horsewhip lacerated me; for that reason, even if I do not dare demand that the now defenseless thug be surrendered up to my own whip-swinging hand, I want at least the vile satisfaction of knowing that my enemy is behind bars."

Rather than seeking reconciliation with the German people, Améry preferred the state of uneasy truce. He asked that society be tolerant of his resentments and that "the German people . . . remain sensitive to the fact that they cannot allow a piece of their national history to be neutralized by time, but must integrate it."

It was this stance of defiance that both attracted and worried Primo Levi. Their differences crystallize in a passage of *At the Mind's Limits* on the question of violence and self-defense. Améry discusses the existential importance of an incident in which he punched a Polish prisoner who had hit him in the face. "My human dignity lay in this punch to his jaw—and that it was in the end I, the physically much weaker man, who succumbed and was thrashed, meant nothing to me," Améry wrote.

> Painfully beaten, I was satisfied with myself. . . . I had grasped well that there are situations in life in which our body is our entire self and our entire fate. I was my body and nothing else: in hunger, in the blow that I suffered, in the blow that I dealt. . . . My body when it tensed to strike was my physical and metaphysical dignity. In situations like mine, physical violence is the sole means for restoring a disjointed personality.

In his chapter on Améry in *The Drowned and the Saved,* Levi points to this passage as a possible clue to Améry's later suicide. "I have never known how to 'return the blow,' not out of evangelic saintliness or intellectual aristocracy, but due to an intrinsic incapacity," Levi wrote.

> I admire Améry's change of heart, his courageous decision to leave the ivory tower and go down onto the battlefield, but it was and is beyond my reach. I admire it, but I must point out that this choice, protracted throughout his post-Auschwitz existence, led him to positions of such severity and intransigence as to make him incapable of finding joy in life, indeed of living. Those who "trade blows" with the entire world achieve dignity but pay a very high price for it because they are sure to be defeated. Améry's suicide in Salzburg in 1978, like other suicides, admits of a cloud of explanations, but, in hindsight, that episode of defying the Pole offers one explanation.

Levi points out, however, that their differences are not as much differences of opinions as they are reflections of their respective experiences. "Had I too seen the world collapse upon me, had I been sentenced to exile and the loss of national identity, had I too been tortured until I fainted and lost consciousness and beyond, perhaps I would have learned to return the blow and to harbor like Améry those 'resentments' to which he dedicated a long, anguish-filled essay."

In fact, when Levi shifted from autobiographical description to analysis in *The Drowned and the Saved,* his opinions are quite close to Améry's. Speaking of the pain of survivors, Levi wrote: "The injury cannot be healed: it extends through time, and the Furies, in whose existence we are forced to believe, rack not only the tormentors, but . . . the tormented."

In his last years, Levi, like Améry, was troubled by the widening distance between his own experience and the perceptions of the Holocaust in the world around him.

> The gap exists and grows wider every year. . . . It slides fatally toward simplification and stereotype, a trend against which I would like to erect a dike. . . . For us to speak with the young becomes ever more difficult. We see it as a duty and, at the

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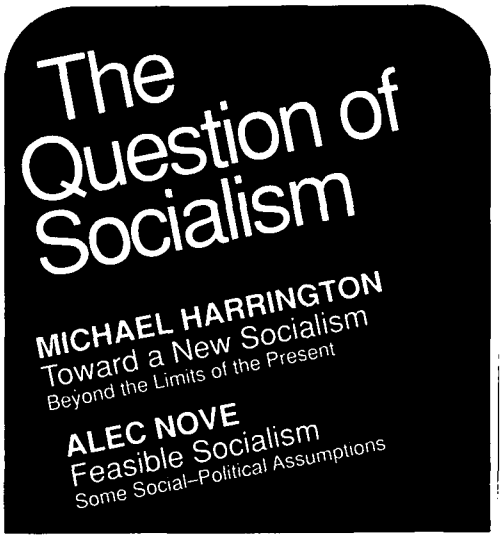
same time, as a risk: the risk of appearing anachronistic, of not being listened to.

Améry was wrong to call Levi "the forgiver," for Levi expresses himself as strongly on the question of collective guilt as Améry ever did. Indeed, he closes his last book with a sentence that closely echoes *At the Mind's Limits:*

> The great majority of Germans . . . accepted . . . out of mental laziness, myopic calculation, stupidity, and national pride the "beautiful words" of Corporal Hitler, followed him as long as luck and the lack of scruples favored him, were swept away by his ruin . . . and rehabilitated a few years later as the result of an unprincipled political game.

For all their apparent differences, there is a profound affinity between the two. Underneath the measured tones of Levi's prose there is a tough-minded, unflinching realism, and beneath the harsh, bitter surface of Améry's writing is a desperate belief in sweet reason and dialogue. Indeed, in a lecture he gave in 1977, the year before his death, Améry made a passionate defense of the Enlightenment that is remarkably close in spirit to Primo Levi: "And still I profess loyalty to Enlightenment. . . . In spite of all we have had to experience, I believe that even today, as in the days of the Encyclopedists, knowledge leads to recognition and recognition to morality. And I maintain that it was not the Enlightenment that failed . . . but rather those who were appointed its guardians." □



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Robert C. Post

OUTRAGEOUS SPEECH AND THE CONSTITUTION

Thoughts on *Hustler Magazine* v. *Falwell*

Democracy, as everyone knows, requires freedom of speech so that public opinion, which is sovereign, may freely be formed to direct its servant, which is the government. As a matter of constitutional history, the First Amendment began effectively to safeguard freedom of speech only in the second third of the twentieth century. From the perspective of democratic theory, this rapid unfolding of First Amendment doctrine reads like an unabashedly Whiggish triumph of liberty and enlightenment. But from other, equally important, perspectives, the story appears darker and more complex.

Take, for example, the recent United States Supreme Court decision in *Hustler Magazine* v. *Falwell*. The case concerned the attempt of Larry Flynt, the *enfant terrible* of the pornographic set, to "assassinate" the integrity of Jerry Falwell, then leader of the Moral Majority. Flynt published in *Hustler* magazine a parody of the well-known Campari Liqueur advertisements, which featured celebrities reminiscing, with a strong undercurrent of sexual innuendo, about their "first time" tasting Campari Liqueur. Flynt's parody featured a thoughtful Jerry Falwell, who recalled that the first time he drank Campari he was having sex with his mother in an outhouse, among the feces, flies, and goats:

> FALWELL: Well, we were drunk off our God-fearing asses on Campari, ginger ale and soda—that's called a Fire and Brimstone—at the time. And Mom looked better than a Baptist whore with a $100 donation.
>
> INTERVIEWER: Campari in the crapper with Mom . . . how interesting. Well, how was it?
>
> FALWELL: The Campari was great, but Mom passed out before I could come.

And so forth. It was a poisonous, revolting performance.

Falwell sued and was awarded $200,000 in damages for the tort of intentional infliction of emotional distress. The jury was instructed to find for Falwell if he could demonstrate that Flynt had purposefully caused him psychological harm by means of conduct that "was outrageous and intolerable in that it offends against the generally accepted standards of decency and morality." The United States Supreme Court, however, overturned the judgment. It held that the First Amendment precludes government from penalizing speech about public figures on the basis of "[a]n 'outrageousness' standard." In a powerfully worded opinion by Chief Justice Rehnquist, the Court reaffirmed its support for "the general First Amendment principles" that "speech does not lose its protected character . . . simply because it may embarrass others" or because "society may find [it] offensive."

These are strong and attractive words. But in the context of a case like *Falwell* it is difficult to regard them as evidence of an unambiguous march toward enlightenment. In fact, as the Supreme Court itself noted, most would undoubtedly view the *Hustler* parody as "gross and repugnant," the very antithesis of rational discourse. The most that can be said, therefore, is that the parody ought to be (grudgingly)

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tolerated in order to protect larger interests in freedom of speech. But what exactly, if the inquiry were to be pressed, are these "larger interests"?

In its *Falwell* opinion the Supreme Court defined them this way:

> "Outrageousness" in the area of political and social discourse has an inherent subjectiveness about it which would allow a jury to impose liability on the basis of the jurors' tastes or views, or perhaps on the basis of their dislike of a particular expression.

Flynt's parody, in other words, must be tolerated because state regulation of "outrageous" speech would give juries unrestrained discretion to censor expression on the basis of their subjective tastes and preferences.

While this justification carries undeniable liberal appeal, it also rests on a fatal confusion. In his third *Critique* Kant long ago distinguished between taste, which "*demands*" the agreement of others, and the sense of the agreeable or pleasant, concerning which "everyone is content that his judgment, which he bases upon private feeling and by which he says of an object that it pleases him, should be limited merely to his own person." Because taste appeals to *inter*subjective, rather than to private, standards of judgment, Hans-Georg Gadamer has correctly observed that "taste, in its essential nature, is not private, but a social phenomenon."

Like taste, the "outrageousness standard" at issue in *Falwell* invokes social standards and demands the agreement of others; it is not merely a matter of personal or idiosyncratic preferences. To claim that speech is "outrageous" is to assert much more than that it is personally unpleasant or disagreeable. It is to claim that the speech is unacceptable because it is inconsistent with community canons of decency. Such a claim may be controversial, but it need be neither arbitrary nor subjective. It represents precisely a judgment that the offending speech is "intolerable" in light of "generally accepted standards of decency and morality."

The law commonly rests upon judgments of this kind. For example, the so-called "dignitary torts"—defamation, invasion of privacy, and intentional infliction of emotional distress—all appeal to similar norms to distinguish acceptable from unacceptable speech. They enforce these norms in order to protect the respect and dignity to which persons are entitled. But the *Falwell* opinion, speaking for a long line of decisions that have enunciated "general First Amendment principles," prevents the law from functioning in this manner, at least with respect to speech that falls within the realm of what the Court calls "public discourse."

The precise question, then, is why the First Amendment should be interpreted to preempt the enforcement of such important norms within the domain of public discourse.

The Legal Constitution of Community

At his trial Falwell testified that the Campari parody inflicted a "very deep wound of personal anguish and hurt and suffering, such as nothing in my adult life I ever recall before." If we ask how it is that Flynt's mere words could cause such a wound, the answer must be that the integrity of Falwell's very personality must somehow depend upon the norms violated by Flynt's parody.

This image of personality has been usefully articulated in the work of the symbolic interactionist school of American sociologists, beginning with George Herbert Mead and culminating in Erving Goffman. That work forcefully demonstrates the extent to which, in the words of Mead, "[w]hat goes to make up the organized self is the organization of the attitudes which are common to the group. A person is a personality because he belongs to a community, because he takes over the institutions of that community into his own conduct."

This process of socialization, however, should not be understood as having a definite terminus, a point at which an independent and autonomous self emerges as if from a chrysalis. Goffman's works amount to an extended demonstration of the many ways in which personal identity is continuously constituted through the affirmation of norms. Goffman in fact describes society as a "chain of ceremony" in which compliance with norms of civility

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sustains both our own identity and the identities of those around us. When this chain of ceremony is broken by outrageous speech, as for example by Flynt's parody, the wound is to personality itself.

The law commonly functions, as in Falwell's case, to uphold the norms that make up this chain of ceremony. In doing so it offers protection and compensation to those who have suffered from their violation. But it also serves a second—and from the constitutional point of view more important—function.

Contemporary social theorists like Michael Sandel have noted that members of a community

> conceive their identity . . . as defined to some extent by the community of which they are a part. For them, community describes not just what they *have* as fellow citizens but also what they *are*, not a relationship they choose (as in a voluntary association) but an attachment they discover, not merely an attribute but a constituent of their identity.

This suggests that when the law upholds common norms that help constitute individual identity, it also serves to maintain a shared community, which subsists in the chain of ceremony created by those norms. The jury that imposed liability upon Flynt spoke for and with the authority of a specific community where expression like the *Hustler* parody is deemed utterly demeaning and intolerable. Thus whenever the law enforces the norms defining outrageous speech, it necessarily employs the power of the state to sculpt a community of a particular shape.

The Marketplace of Communities

It is precisely this fact, however, that offends the First Amendment. When the Supreme Court began in the 1930s and 1940s to interpret the Constitution to protect highly offensive speech, it grounded this protection on the recognition that the nation contained multitudes of divergent communities, each with its own unique shape and identity. To bind speech within the norms of any single community would destroy this diversity.

This logic is explicit in an important 1940 decision, *Cantwell* v. *Connecticut*. In that case, Jesse Cantwell, a Jehovah's Witness, entered a Catholic neighborhood and played for two Catholic men a phonograph record that contained an attack on all organized religious systems as "instruments of Satan and injurious to man" and that further singled "out the Roman Catholic Church for strictures couched in terms which naturally would offend not only persons of that persuasion, but all others who respect the honestly-held religious faith of their fellows." Cantwell was convicted of the common-law crime of inciting breach of the peace. But the Court overturned his conviction:

> In the realm of religious faith, and in that of political belief, sharp differences arise. In both fields the tenets of one man may seem the rankest error to his neighbor. To persuade others to his own point of view, the pleader, as we know, at times resorts to exaggeration, to vilification of men who have been, or are, prominent in church or state, and even to false statement. But the people of this nation have ordained in the light of history, that, in spite of the probability of excesses and abuses, these liberties are, in the long view, essential to enlightened opinion and right conduct on the part of the citizens of a democracy.
>
> The essential characteristic of these liberties is, that under their shield many types of life, character, opinion and belief can develop unmolested and unobstructed. Nowhere is this shield more necessary than in our own country for a people composed of many races and of many creeds.

The Court in *Cantwell* declared the specific function of the First Amendment to be the creation of a shield under which "many types of life, character, opinion and belief can develop unmolested and unobstructed." The justification of this function rested upon the Court's perception of America as a land of "sharp differences," in which communities and cultures were labile and evolving, competing, like the Jehovah's Witnesses, for the allegiance of individual adherents. *Cantwell* interpreted the First Amendment as establishing a level playing field, in which no particular community could use the power of the state to obtain an unfair advantage and prejudge the outcome of this competition by enforcing its own particular norms. For this reason *Cantwell*

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constitutionally disabled the state from imposing the most elementary norms against "exaggeration" or "vilification" or "excesses and abuses" upon speech about public subjects like "religious faith" or "political belief" or "prominent" individuals.

Underlying First Amendment protection for outrageous speech, therefore, is the assumption that community life in America is constituted by the voluntary choices of its members. This assumption contrasts sharply with the presumption that underlies legal regulation of outrageous speech, which is that persons are instead constituted by the life and norms of their communities. Whereas First Amendment doctrine is premised on the possibility of using speech to create new communities and therefore new identities, torts that penalize outrageous speech proceed on the assumption that speech that infringes upon existing community norms violates the very identities of community members.

Ultimately, then, the reasoning of *Cantwell* places the Constitution firmly on the side of those individuals who would attempt to use speech to alter the terms of community life. Ever since *Cantwell* the Supreme Court has interpreted the First Amendment to require state neutrality with respect to the enforcement of community norms within the arena of public discourse, so as to create a free and undistorted field for the informed exercise of individual choice. The notion that the Constitution demands neutrality "in the marketplace of ideas" has of course been a legal commonplace for generations. The deeper point, however, is that the First Amendment also requires neutrality with respect to the very structures that establish communal life. We might say, therefore, that the Constitution creates a concept of public discourse that is neutral in the marketplace of communities.

The powerful consequence of this neutrality is visible in the *Falwell* opinion itself. The "outrageousness" standard at issue in the case can have meaning only by reference to the norms of a particular community. But the Court forbids the state from enforcing these norms within what Chief Justice Rehnquist called the "world of debate about public affairs," because to do so would prejudice the ability of individuals to persuade others of the need to change the terms of community life. On this account, then, the "outrageousness" standard that sustained Jerry Falwell's judgment is constitutionally unacceptable, not because it "has an inherent subjectiveness about it," but rather because it would enable a single community to use the authority of the state to confine speech within its own notions of propriety.

The Paradox of Public Discourse

For a court to set aside state law as unconstitutional is a grave matter, requiring extraordinary justification. The justification that has proved most durable in First Amendment jurisprudence is essentially political. The First Amendment protects "the liberty to discuss publicly . . . all matters of public concern," so that the public opinion necessary for the performance of democratic self-governance may freely be formed.

In a culturally heterogeneous nation like the United States, democratic public opinion must bring together persons from diverse traditions and communities. The question arises, therefore, how any coherent public opinion can form across the deep chasms that divide American communities from each other.

At about the same time that the Supreme Court was developing modern First Amendment doctrine, American sociologists were also confronting this question. Their response was to develop the concept of a "public" as a distinct social formation that emerges only when "social organization is widened and complicated by economic and cultural differentiation that entail[s] incompatible schemes of group behavior." Publics were said to exist in the space *between* communities, and to create cohesion "on the basis of a 'universe of discourse' " that is intrinsically "critical." The basic idea was that persons from diverse cultural backgrounds could join together in a common and productive conversation only if they were also empowered to question, contradict, and rationally evaluate the distinctive cultural assumptions that divided them.

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The neutrality prescribed by First Amendment doctrine protects just such a critical discourse. The justification for this protection is the hope that the discourse will sustain the kind of democratic deliberation capable of generating a truly public opinion. But hidden within this hope lies a dramatic and consequential paradox.

Democratic deliberation can achieve its purpose only if it is experienced as rational and noncoercive. There is little value in the creation of a public opinion that is neither voluntary nor considered. Yet speech that is outrageous, that violates fundamental community norms of decency and respect, is perceived as both irrational and coercive. Thus when John Dewey expressed his "democratic faith . . . in the possibility of conducting disputes, controversies, and conflicts as cooperative undertakings in which both parties learn by giving the other a chance to express itself," he contrasted such productive interaction with confrontations where "one party conquer[s] by forceful suppression of the other—a suppression which is not the less one of violence when it takes place by psychological means of ridicule, abuse, intimidation, instead of by overt imprisonment or in concentration camps."

As one would expect, therefore, a number of commentators have attacked the Supreme Court's *Falwell* decision on the ground that Flynt's parody amounted to little more than a "punch or kick" and that it had no "plausible nexus to cerebral activity." The virulence of this reaction underscores the significance of Dewey's point: the very rational deliberation that the First Amendment seeks to foster depends upon the observance of common rules of civility.

This suggests, however, that the aspiration to be free from the constraints of existing community norms is in tension with the aspiration to engage in the social project of reasoned and noncoercive discourse. The first aspiration is sustained by the values of neutrality, diversity, and individualism; the second by the deliberative enterprise of democratic self-governance. The commitment of modern First Amendment doctrine is unquestionably to the first of these aspirations. Consequently, the constitutional structure that regulates the domain of public discourse denies enforcement to the very norms upon which the success of the political enterprise of public discourse depends.

As the unease generated by the *Falwell* decision illustrates, this contradiction is deeply disturbing. The sanctions that the law can bring to bear to support community norms are unique, not so much because of their monopoly of physical force, but because they alone purport to define social standards in accents that are universal. These norms can, of course, continue to be enforced by means of private and social pressure. But in the heterogeneity of contemporary culture only the law can authoritatively speak for norms that define a *common* ideal of rational deliberation. Without such authoritative support the norms defining reasonable, noncoercive discourse stand to be seriously weakened. As Sabina Lovibond has recently reminded us, "the norms implicit in a community's . . . social practices are 'upheld,' in quite a material sense, by the sanctions which the community can bring to bear upon deviant individuals."

We are left, therefore, with the following paradox: to the extent that a constitutional commitment to a neutral public discourse prevents the law from articulating and sustaining a common respect for the standards of decency that make possible the ideal of rational deliberation, public discourse corrodes the basis of its own existence. This might be called the "paradox of public discourse."

Defining the Domain of Public Discourse

One important implication of this paradox is that the domain of public discourse must be limited. If the boundaries of that domain were to sweep too extensively, if they were effectively to suspend enforcement of community norms in all instances of communication, norms of reason and respect could not survive, and the very possibility of rational deliberation would be endangered.

The Supreme Court, despite the "general First Amendment principles" announced in *Falwell,* has in fact been quite sensitive to this

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dynamic. It has refused to expand the arena of public discourse in such a way as significantly to impair the processes by which communities socialize the young and cause them to identify with community norms necessary, in the Court's view, for rational deliberation. Thus, for example, the Court had recently permitted a school to censor "lewd speech" on the grounds that it was "a highly appropriate function of public school education to prohibit the use of vulgar and offensive terms in public discourse," so as to "inculcate the habits and manners of civility." And it has allowed the Federal Communications Commission to appeal to "contemporary community standards" to define and prohibit the broadcasting of "patently offensive" speech at "times of the day when there is a reasonable risk that children may be in the audience." Any other conclusion, the Court reasoned, would frustrate "the government's interest in the 'well-being of its youth' and in supporting parents' claim to authority in their own household.' "

The functional dependence of public discourse upon community norms is, however, not the only reason for limiting the scope of public discourse. As defined by contemporary First Amendment doctrine, public discourse reflects and instantiates the distinctive values of neutrality, diversity, and individualism. The domain of public discourse, therefore, will extend only so far as our dedication to these values outweighs other competing commitments, such as those entailed in the dignity of the socially situated self, the importance of group identity, or the authoritative character of the particular values of our own community. When these latter commitments are more important to us, the Court has not hesitated to carve out exceptions to the constitutional shield envisioned by *Cantwell*. This is normally accomplished by defining a specific category of speech, like "obscenity" or "fighting words," and removing it wholesale from the domain of public discourse.

Such special categories of speech are, in effect, transposed from a realm of pure communication to one of action. Obscenity, for example, is conceptualized as a form of moral pollution; fighting words as instruments of aggression "whose very utterance inflicts injury." Since all speech is simultaneously both speech and action, this transformation is best understood as a process of recharacterization. The Court gives legal saliency to those aspects of speech that are like conduct, and hence orders the social relations of those involved with the speech according to relevant standards of decency and respect. The purpose is to protect the integrity of those whom the speech would otherwise harm. Conversely, when constitutional doctrine regards speech as public discourse and privileges its communicative aspects, the Court renders the speech independent of its social context. It creates, in the words of Alvin Gouldner, "a cleared and safe space" in which that context can be questioned, negated, and evaluated. The purpose is to empower those who speak, so that in their communication they may reshape their world.

The characterization of speech as communication or as action—as within public discourse or as outside of it—thus ultimately depends on whether we wish to view those involved in communicative processes as autonomous evaluators of their circumstances, or instead as situated within and in significant ways constituted by their particular web of social norms. Framed in this way, the question closely parallels the contemporary debate between "liberals" and "communitarians."

What Is to Be Done?

Clearly this is not a debate we would want to resolve *tout court*. Contemporary First Amendment doctrine reflects what would otherwise be obvious, that the choice whether legally to privilege the autonomous or the socially situated aspects of the self can be resolved only in the light of specific situations. Thus the law permits outrageous speech such as racist or sexist insults to be regulated within the workplace, where it makes obvious sense to view persons as dependent upon their social circumstances. But it suspends such regulation in the context of the print media, where the image of the independent reader predominates. It is no accident, therefore, that the Court's actual decision in *Falwell* was quite limited,

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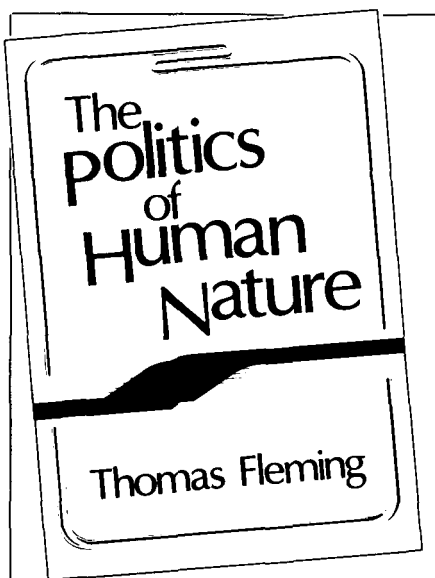
holding only that an "outrageousness" standard could not be applied to speech in nationally circulated magazines like *Hustler*. I very much doubt that the Court would have prohibited the application of an "outrageousness standard" if Larry Flynt were to have called up Falwell's mother and privately read to her on the telephone the exact words of the parody.

Understood in this way, the Court's decision in *Falwell* is clearly correct. If the audience for the print media were not conceptualized as able autonomously to evaluate what they read, precious little would be left of that democratic public which is so integral to our political identity as a nation. But on this interpretation *Falwell* is also a very narrow decision, leaving undecided the innumerably differing circumstances in which we might wish to regulate speech as outrageous. Each of these circumstances will call for a particular exercise of judgment, and there are no neutral rules to which we can turn to escape from the heavy responsibility of that judgment.

In this area of the law, as in many others, the ultimate question is thus one of self-characterization. The First Amendment is merely the mirror that reflects the destiny we choose. □



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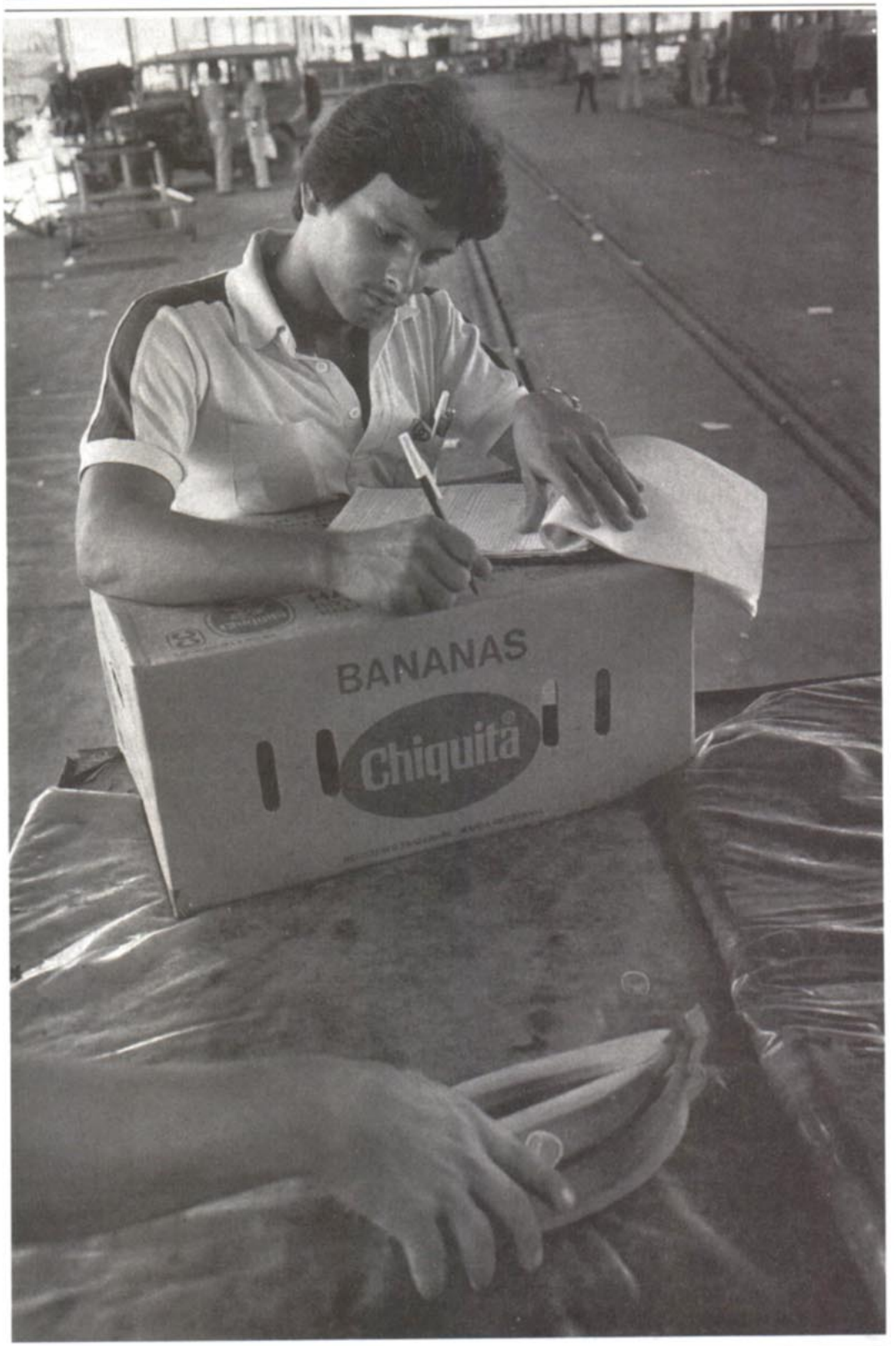

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The Global Economy

David Bensman & Mark Levinson

INTRODUCTION

Assumptions of how the U.S. economy functions have been made obsolete by the globalization of production and finance.

For example, large U.S. budget deficits did not spur economic growth in the United States, as one might have expected, because imported goods accounted for much of the increase in consumption. The United States has been able to sustain large budget and trade deficits without starving domestic business investment, as one might have expected, because foreign capital has flooded into the United States to take advantage of high American interest rates. High levels of capacity utilization have not driven up prices, as one might have expected, because cheap imports are available from all corners of the globe.

The globalization of economic activity was largely responsible for the crisis in social democratic, Keynesian policy in the 1970s and 1980s. Nations that attempted to grow their way out of the recessions of 1974 to 1975 and 1979 to 1980 found themselves plagued by inflation, capital flight, growing trade deficits, and irresistible pressures to devalue their currency. The best-known example of the political crisis that continues to plague socialists in Europe and liberals in the United States was that of French President Mitterrand, who was forced to scrap much of his bold economic program and accept high unemployment and growing wage inequality.

If one asks why the U.S. economy is declining, one tends to emphasize such factors as declining productivity rates, insufficient private savings and investment, failed governmental policies, and insufficient social investment in such areas as education and infrastructure. (See Robert Kuttner's article "Slouching Toward Pluralism," *Dissent*, Spring 1989.) This perspective has led many policy analysts to propose increased labor-business-government cooperation in industrial policy making, increasing social investment to enhance productivity and social austerity to boost national competitiveness.

Some of this policy analysis has been valuable, but the entire endeavor suffers from being overly centered on the United States. In reality, economic growth has slowed in almost every part of the world. Even the nations that have run the largest trade surpluses with the United States—Japan and West Germany—experienced significantly slower growth in the years from 1973 to 1989 than they did in the Golden Age of Capitalism, from 1948 to 1973. And in Africa, Latin America, and Eastern Europe, slow global economic growth has meant social disaster.

How can we account for the slowdown of global economic growth? And what sort of economic program could left movements throughout the world pursue to reverse this trend?

Dissent has commissioned a series of articles to help readers understand the complex political challenge posed by the growing globalization of production and finance. Jeff Faux's piece in the current issue looks at the question from the viewpoint of capital and labor. As capital has become increasingly mobile, Faux argues, labor has lost much of its bargaining power and political leverage. The solutions that Faux proposes require that labor become increasingly international in outlook and action.

Walter Russell Mead contrasts the global economic framework of the Golden Age, what he calls the Bretton Woods era, with the unstable, stagnation-biased disorder of the current order. Because Mead's analysis focuses on different aspects of the global economy than Faux's, his proposed solutions have a different focus; Mead argues that social democrats and liberals must work to construct new international institutions and create a new world economic order that promotes rising wages and economic growth throughout the world. □

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Jeff Faux

LABOR IN THE NEW GLOBAL ECONOMY

Mobile Capital, Multinationals, Working Standards

Economists can predict few things in this world with certainty. Despite our confident manner, we really do not know what the unemployment rate will be in six months or what interest rates will be in a year. Or whether in ten years companies will be programming computers to make workers more productive or programming workers to make computers more productive.

But there is one prediction that I can make without hesitation: it is that the trend toward the globalization of the economy will continue. Whether we like it or not, barring a world war, depression, or similar catastrophe, the year 2000 will see employment, wages, and the conditions of work in every country shaped by forces that are international in character and increasingly beyond the control of the collective bargaining that goes on in any one firm, industry, or nation.

Many factors contribute to the creation of a global economy, but the driving force is technology. The development of computers and microelectronics has given corporations the power to move capital around the world in microseconds and to shift production rapidly from one continent to another in response to changes in labor relations, market strategies, or government policies. It has accelerated innovation, shortened the life cycle of new products, and permitted global competitors to quickly copy a new product and produce it more cheaply somewhere else—all of which has reduced the length of time a new product or a company's market share can generate steady employment in one location. It has created a class of multinational managers whose personal prosperity is identified with their multinational corporation, not with the economy of the nations they happen to live in or be citizens of.

Not all capital is mobile, of course. Most of the world's businesses still produce for consumption within their own national borders. And not all technological change encourages international production. Indeed, some new techniques, such as flexible manufacturing and "just-in-time" inventory control, are incentives to bring factories closer to their markets. The important point is that firms have become more flexible in *both* directions—to move production elsewhere or to move it back.

The increase in flexibility has given management a powerful advantage over labor in both the more industrial and the less industrial parts of the world. In the more industrial economies, a company's threat to shift production to lower-wage areas—even if the company in fact does not intend to do so—undercuts the bargaining position of labor. In the less industrial economies, competition among nations for investment capital often leads governments to suppress unions in order to keep their low-wage advantage in attracting multinational investors. This management advantage is compounded by the fact that the number of multinational corporations able to combine advanced technology and capital in different parts of the globe is small relative to the

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number of nations, regions, and localities competing with each other in order to attract these firms. The effect of globalization on the bargaining position of labor is not limited to those working for multinational corporations; global competition in the long run increases the pressure on all managers to squeeze costs by lowering wages and pitting worker against worker.

At the same time, the globalization process has clearly spread the benefits of higher incomes and living standards to workers in newly industrialized economies. As the production of textiles, steel, autos, consumer electronics, computers, telecommunication equipment, and other products has dispersed throughout the globe, wages in the new locations have risen—not only in the firms directly producing the products but in the local industries providing components, supplies, and services as well. And—slowly, painfully—the struggle by workers to have the independence and dignity of their own labor organization often, although not always, follows. This is the path of economic progress in a modern world, and only a fool would deny its benefits to people who have been mired in poverty.

But only a fool would believe that its benefits are stable. The process of globalization will not stop with the last nation to be launched on the road to industrialization. The same forces that moved capital to South Korea yesterday are today moving it to Thailand. Foreign applications for new investment in Thailand, for example, tripled between 1986 and 1987 and doubled again in 1988. Just as workers in Europe and Japan and North America are threatened by employers with the prospect of "out-sourcing" to areas of cheaper labor, so will workers in Korea. Eventually, so will workers in Thailand . . . and yes, China.

Dilemma of Exports

Most developing nations have little choice but to build exporting industries if they want to develop modern economies. Their domestic incomes are too low to attract the capital and to reach the economies of scale needed to support industries capable of steadily improving the real wages of their workers and satisfying the demands of their consumers. Their universities and laboratories are too limited to furnish the new processes and products that such industries need. Indeed, the recent opening up of the domestic economies of the Soviet Union and China—at the risk of incredible political upheaval—tells us that even the world's largest nations cannot sustain development on the basis of their internal markets alone.

This does not mean that economic development must be "export-oriented"—concentrating its resources only on production for export to world markets. A sensible *national* path to prosperity should be balanced; it should nurture the expansion of internal mass markets, which in the long run provide a more secure basis for the steady rise in workers' living standards. Nevertheless, raising the real incomes of the world's impoverished people means a rise in the world's exports. A sensible *international* path to prosperity must, therefore, accommodate the entry of new exporters into the international marketplace. This is not an easy process. Among other things, it means a continuing adjustment for workers in industries in the more developed nations that will lose market shares to these new entrants. So long as the global economy as a whole is growing at a reasonably high rate, there is a chance that this adjustment can take place in a way that protects workers' living standards. High rates of global growth permit industries in developed nations to produce new products to take the place of shrinking market shares in traditional product lines. Higher rates of growth can provide the tax revenues for governments to maintain incomes and early retirement and to support retraining and other adjustment programs for displaced workers. High worldwide growth is the grease that reduces friction in the global economic machinery and keeps it from breaking down.

Unfortunately, friction has increased over the last decade and a half. A slowdown in world economic growth has forced nations and firms to compete more fiercely for slower-growing markets.

In the aftermath of post–World War II reconstruction, the share of most nations' economies devoted to foreign trade expanded; the rate of growth of exports, particularly

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manufactures, rose faster than the rate of growth of domestic production. Until the early 1970s, jobs and incomes in the world as a whole grew fast enough to absorb the rising level of goods in global markets without undue strain. Increasing wages and incomes from exports in both the developed and most of the developing world enabled workers to buy imports. But after 1973, world growth slowed down considerably, and by the 1980s it halved—barely able to keep ahead of increases in world population. In the developed world as a whole, exports dropped as well. But as multinational capital expanded, exports of manufactures from developing countries continued to rise rapidly—at an annual rate of about 12 percent—swelling the supply of goods to satisfy a decelerating demand.

The slowdown in world income growth has, in turn, worsened the debt burden on developing nations despite their increased exports. Total Third World debt in 1988 was over $1.3 *trillion,* up from $831 *billion* in 1982. Debtor nations have been driven by their creditors (in the multinational banks and agencies such as the International Monetary Fund and the World Bank) to further expand their exports and slow down their imports—by restraining their populations' incomes—in order to earn the foreign exchange with which to pay the interest on their debts.

Thus, more nations are producing goods to export to other nations' customers while reducing the ability of their own consumers to buy imports. The result has been to expand global *capacity* in a number of industries beyond the ability of global *incomes* to buy the output. By 1987 world overcapacity was 20 percent in steel, 15 to 20 percent in autos, 25 percent in semiconductors, and over 20 percent in petrochemicals. Similar excess capacity is building up in other industries.

The War on Labor

These three factors—(1) the increasing mobility of capital and technology, (2) the increased export-orientation of the world's economies, and (3) the slowdown in global economic growth—have encouraged corporate managers to tear up the postwar "social contract" between labor and capital that formed the framework for social progress in the developed nations of Western Europe and North America and was the inspiration for progressive democratic labor movements throughout the world. This social contract held that workers had a right—exercised through collective bargaining—to a share of the benefits of increased productivity and protection from rising living costs. It also provided that a share of the benefits of increased national productivity would go to *all* citizens in the form of minimum wages, health and housing benefits, pensions, and other public goods and services.

The undercutting of the postwar "deal" between management and labor has occurred throughout Western Europe and North America. In the United States, the first major act of the Reagan administration was to break the air traffic controllers union—a signal to employers that the administration would encourage efforts to destroy organized labor. In Germany welfare payments for strikers were denied. In Italy wage indexation was weakened. In the United Kingdom and France employee protections against arbitrary employer firings were dismantled. Major efforts to cut back social benefits, to deregulate industries, and to privatize public firms and services were made in most countries. And the corporate-dominated press has helped turn public opinion against unions—now perceived as obstacles to a nation's international competitiveness, rather than as protection against the ravages of the market.

At the same time that workers' incomes and protections are being suppressed in this slower-growing global economy, top management incomes are rising. As firms become multinational, top management becomes internationally mobile and less subject to cultural and political constraints on what they pay themselves. Executive compensation in the United States, which has always been exorbitantly high, is becoming the new norm for European and Asian corporate managers. And U.S. executives' earnings are skyrocketing. According to one recent survey, the top two executives in each of 354 U.S. firms—a total of 708 managers—earned an average of over $2 million last year. This was ninety-three times the pay of the average factory worker,

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seventy-two times the pay of the average schoolteacher, and forty-four times the pay of the average engineer.

One does not have to be an expert in economics to see that the world economy cannot continue with all nations expanding exports and constricting the ability of their workers to buy imports. Sooner or later, the combination of overcapacity, excessive debt, and inadequate incomes will produce a world recession . . . or worse. So far the fundamental crisis has been avoided. A major reason is that the U.S. economy throughout most of the 1980s has been running massive trade deficits and thus absorbing a larger share of the world's imports. From 1980 to 1986, for example, the U.S. share of manufacturing imports from the less industrialized world rose from 46 to 59 percent. During the same period, the European share of developing nations' imports dropped from 40 to 30 percent, the Japanese share from 13 to 10 percent. In addition, the United States has been running trade deficits with Japan, Germany, and most of the other important industrial nations. The increased absorption of the world's exports by the United States is not the result of deliberate generosity but of the policies of "Reaganomics," which covered up America's economic weakness by massive borrowing. This situation will not continue. Despite the recent rise in the dollar, the U.S. trade deficit will inevitably shrink over the next ten years. As the world's largest debtor nation, the United States will have to adopt its own export-oriented strategy, adding to the world's oversupply of internationally traded goods.

Who Will Buy the Goods?

The question immediately arises: As the U.S. trade deficit shrinks, where will the customers come from?

Japan has clearly begun to shift its economic policy to stimulate internal consumption. Accordingly, it has expanded somewhat its imports from developing nations—particularly in Asia. But its market is much smaller than that of the United States. Moreover, Japan's own industries have reoriented their strategies in order to serve the increase in domestic consumption, so that its trade surpluses remain high. The other major surplus nation, Germany, appears to have no intention of accelerating growth dramatically. Indeed, given the damage that an import-absorption policy has done to the U.S. economy, *no* other nation by itself will choose to run a trade deficit to provide markets for the rest of the world. In the absence of new strategies, therefore, we face a world in which the competition for markets will increase and the pressure on workers' wages will get worse.

Working people, organized and unorganized, of all nations of the world have an important stake in developing such new strategies. We need economic policies—at the level of firm, industry, nation, and globe—that can permit the orderly expansion of the world economy without ruinous competition based on low wages and low living standards. The new international economy—like a national economy—must have regulations, standards, and public management of overall supply and demand.

Today's national governments are in a situation similar to that of labor—corporate capital is moving beyond their reach and forcing them to accommodate the multinational corporate agenda. Indeed, the world's leading media—themselves often a product of multinational mergers and buyouts—have made national "protectionist" policies the villain of the globalization drama. Accordingly to this view, governments are becoming obsolete, holding up progress to a pure laissez-faire world where giant corporations are "liberated" to roam the globe seeking to satisfy the world's consumers. The press and television cheer corporate efforts to break down national tariffs and set common commercial and technological standards that enable them to take advantage of global economies of scale. The European Single Market and the U.S.-Canadian Free Trade agreement are vivid examples of nations giving up sovereignty at the urging of corporate interests and a corporate-dominated press.

But as soon as multinational corporations break through national barriers, they find themselves in an economic jungle where new government rules and regulations are needed to

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protect *them* from the uncontrolled forces of the market. Thus, for example, in the financial sector, we find the international collaboration of the G-7 countries to try to restore order to deregulated financial markets. Until recently, financial markets were the servants of production, permitting the exchange of currency and the borrowing of capital needed for trade and development. Deregulation turned these markets into financial casinos. Investors today do not want to make money over ten years from an investment in plant and equipment, but in ten minutes from speculating on the rise or fall of the dollar or yen or mark. Profitable business ventures are made unprofitable overnight by currency traders betting on what they guess other currency traders will be betting on. So, after having deregulated markets at the urging of multinational financial institutions, the major nations are now forced to design new arrangements to protect against the speculative forces playing havoc with their productive sectors.

Moreover, multinational banks, while "liberating" themselves from national governments, have not hesitated to turn to multinational government institutions like the World Bank and the International Monetary Fund to collect their Third World debts for them. In a number of developed nations, forces representing industrial interests have begun demanding a resolution of the Third World debt crisis that will give priority to the creation of customers rather than the repayment of bank loans that should never have been made.

Thus, the shape of a new global economy is not yet determined. Multinationals will continue to attempt to break the power of national governments to protect their domestic firms against competition from global giants and their domestic labor forces against cutthroat wage competition. But national governments will resist. One result may be the emergence of larger continental trading blocs—centered in Western Europe, North America, and the Pacific Rim—with nations on the periphery loosely connected to one of the major centers. This might permit multinationals the advantages of economies of scale and, depending on the strength of national economic and political interests, at the same time provide for some regulation and protection for workers and their communities.

In any event, the future will not inevitably bring one global laissez-faire marketplace. If only to maintain stability, new multinational agreements, regulations, and institutions will emerge. The questions is: in whose interests will they be managed?

Answering this question presents the free labor movements of the world with a challenge. If it is to fulfill its historic mission of protecting workers' rights and living standards, organized labor must become a more active multinational force. Just as a labor movement is essential to prevent the excessive domination of capital in a nation, so the labor movements of the world must in turn expand their horizons to prevent the abuse of power by international capital.

As with any effort to organize people for action, the first step is to strengthen the sense of common purpose among labor unions through the experience of working together. There are today at least three broad economic areas for international labor cooperation: (1) the strengthening of minimum labor rights and protections, (2) multinational organizing against common corporate targets, and (3) coordinated economic growth policies.

Labor Rights

An expansion of labor rights to the global production system is crucial to prevent multinational competition from being based solely on cheap labor and inhuman working conditions. The right to organize and bargain collectively and the right to basic minimal health and safety standards are essential to protect all workers and to ensure that the benefits of higher productivity will be shared in every nation. The existence of strong independent labor unions in competing nations is almost as important to the welfare of a worker as having a strong independent union of his or her own. In a global economy, workers will rise or fall together.

But, one might ask, is it necessary to enact international rules on labor rights? Will not unions automatically develop as nations indus-

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trialize? Don't international rules interfere with national sovereignty? The answer is that the case for international standards is the same as the case for national standards. That is, an economy without such rules gives the unscrupulous exploiter of labor an economic advantage that other producers will be forced to follow in order to survive.

Reasonable people can legitimately differ over the precise form an agenda for international workers' rights might take. At the very minimum, however, it should provide for the freedom of workers to organize and bargain collectively, the banning of forced labor and exploitation of the very young, and the prohibition of government policies that act to suppress wages and working conditions below what market and democratic political forces would generate.

Coordinated Organizing Strategies

Just as multinational corporations use their abilities to shift capital and technology around the world to threaten workers, so workers' organizations can use modern communications to fight back. By exchanging information, unions organizing the same company in different nations can prevent companies from distorting the facts about working conditions elsewhere. There have already been a number of instances in which international solidarity enabled a union to expose the fact that a firm that claimed to have international "no-union" policies was shown to have good union contracts in its home country. There is also potential in coordinated organizing campaigns. Although capital is mobile, factories cannot be built overnight, and a firm faced with coordinated demands for union recognition in major locations around the world is likely to be more reasonable than a multinational firm dealing with a union in only one location.

International labor cooperation is especially important in a time of international mergers and acquisitions. When a foreign firm takes over a domestically owned one, the new ownership is removed from the political and cultural constraints of the domestic owner. Top management located halfway around the world is less likely to be concerned with local public opinion or a labor-management peace.

Solidarity, of course, is easier said then done. Language and cultural barriers persist. Even when these can be overcome, the different legal and political settings within which each union operates make it hard for unions to fully understand each other. For example, workers in a nation in which pensions and health care are guaranteed by the government may have difficulty understanding a strike over these issues in a nation that does not. And labor organizations in a nation where unions are national institutions with basic legal rights will see things differently than workers in a nation where to be a union organizer significantly increases one's chances of being murdered.

But if corporate managers from different cultures and without a tradition of solidarity can become partners, labor leaders ought to be able to do so as well. The profits and technology that one corporation enjoys from an international business alliance today may be used against its foreign corporate partner tomorrow. But the increased wages and benefits that a labor union wins in one facility of a multinational corporation almost inevitably improves the chances of its union "partner" in another country getting a better contract.

Common Economic Policies

National fiscal and monetary policies are the valves that regulate the overall levels of world income. They control the spending and interest rates that determine whether incomes will expand fast enough to keep world employment and wages rising. In most nations, these policies are decided by a narrow group of financiers and technocrats more concerned with the protection of financial capital than of living standards. Keeping inflation down has replaced keeping employment up as a chief concern of the major governments. Indeed, keeping unemployment sufficiently high is the primary strategy for keeping inflation low. Beneath this bias is the fear that a return to the earlier high-employment, high-wage economic path would strengthen union power, revive the post

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war social contract, and lead to a more equal distribution of income and wealth. This fear is realistic—which is one reason labor in all nations should be demanding economic policies to support higher rates of global economic growth.

New Thinking on Growth

There are two areas, in particular, that an international labor program for economic growth might focus on. One is to have a labor answer to the question of inflation. Because of the experience of the 1970s, the threat of inflation has become a hammer with which central bankers can bash efforts to return to a high-wage, full-employment economy. It is a common problem for labor unions in most industrial nations, and they ought to begin to share ideas on how to develop a progressive, labor-oriented, anti-inflation strategy.

The second important problem is the Third World debt. The overburden of debt and interest payments must be removed from the developing nations if they are to resume more balanced growth, improve the living standards of their people, and provide markets for other nations' exports. We need, therefore, a common strategy on the Third World debt that labor unions can collectively advocate to counter the repressive agenda that now dominates the world's financial institutions.

The development of a multinational union strategy is not an easy task. There are many who look at the formidable power of the multinational corporations and the differences between workers in different countries and conclude that it is impossible. But many in the past had the same doubts about national unions. They looked at the formidable power of the large corporations, their influence on governments, and the fear of unemployment among workers and said it couldn't be done. But they were wrong. The original organizers of trade unionism saw that they had no choice but to build a unified movement, so they accepted responsibility and took the risk. And they created a better world.

Labor today has no choice. The economies of all nations are expanding beyond national borders. If workers' rights are to be protected, if the cause of economic justice is to prevail, then trade unionism must also expand. □

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Walter Russell Mead

THE WORLD ECONOMIC ORDER

Perils After Bretton Woods

In 1915 a consortium of private British and French borrowers approached the New York banks and asked for a wartime loan of $1 billion. Wall Street raised half the requested amount, but given the magnitude of the sum and the political risks involved in lending to belligerents, it insisted on adequate collateral against any future advances. In vain did Sir Edward Holden, the leader of the British delegation, protest against this lack of confidence in Britain's standing; Wall Street insisted on collateral, and collateral it got. Sir Edward wept in his hotel suite at the news, but the British government deposited its Suez Canal stock in the vaults of the Farmer's Loan and Trust.

This event marks the end of the era in which international economic relations appeared to be managed directly by the invisible hand without the interposition of sovereign governments. Since then, international economic relations have been so complex, and the sums involved so large, that the active participation of national governments and of multilateral agencies chartered by contracting states has remained essential to the routine operation of the international economic system.

This event also marks the beginning of the twentieth century in international economics: the end of British supremacy and the start of seventy years during which the United States, having been a debtor through most of its history, was the most important international creditor and bore the chief responsibility of the world economy.

Finally, this painful encounter signaled the era of a new kind of socioeconomic organization. The new financial superpower was the home of Fordism—mass production and mass consumption by relatively well-paid industrial workers. As the decision of French and German socialists to follow their respective nationalist elites into the trenches marked the end of Marx's dream of international socialism based on transnational class struggle, the new Fordist era would be increasingly characterized by a Grand Compromise between workers and capitalists within each of the advanced countries based on Fordist and, later, Keynesian principles.

We are, then, at the start of the twentieth century; lately many Americans have become uneasily aware that we are waiting for some similarly striking event to mark its end. That moment almost came when the United States government was forced to issue "Carter bonds" in foreign countries because other nations temporarily refused to purchase more dollar-denominated U.S. IOUs. The crisis passed, and throughout the eighties the world's financiers eagerly bought up unprecedented amounts of Treasury debt; nevertheless, one senses the looming prospect that some day soon the sounds of sobbing may emerge from the suites of American officials in Tokyo or Berlin.

The twentieth century meant more than American supremacy; it meant the international triumph of the Keynesian Compromise. Workers lived relatively well; capitalists kept the more desirable means of production. In these closing years of the century, that system no longer seems to work. At a time of unprecedented technological advances, we hear on every side the cries that economic problems are

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caused by lazy and greedy workers. The road to prosperity, we are told, lies through sacrifice.

If Franklin D. Roosevelt was the dominant figure of the rise of the Keynesian system, Margaret Thatcher is the doyenne of its demise. Thatcherism has come to mean a belief that the liberal welfare state is a cause of economic difficulties, rather than the solution to them. High wages, short work weeks, and a culture of consumption are now seen as the obstacles to growth, rather than as its natural and beneficent outcomes.

The decline of social-welfare capitalism is the most important feature of contemporary economics from Sweden to Swaziland. In the First, Second, and Third Worlds economists and politicians are busily dismantling the stable systems of mass production and consumption that defined the twentieth century. Peronism in Argentina, the PRI compromise in Mexico, the iron rice bowls of China and the Comecon, the social democratic systems in Europe and North America: these are universally in retreat. A global economic crisis is reviving the confrontational aspect of Victorian capitalism at the moment when Bolshevism, which conceived of itself as capitalism's great antagonist, is collapsing.

The international counterpart of Victorian capitalism was imperialism: the attempts of great capitalist societies to capture markets and raw materials through conquest and unequal treaties with lesser powers. There are at least some signs that imperialism is reviving today. The global economic system established under the aegis of the United States in the forties appears to be giving way to a new system of blocs in Europe, East Asia, and the Americas.

A study of the economic orders of the twentieth century is therefore not without interest today; to know why Versailles failed, why Bretton Woods broke down after a generation of great success, and to understand the system that replaced it is to grasp the economic aspects, at least, of the central issues of our time.

From an economic standpoint, we have seen three distinct eras since the First World War: The first, the Versailles order, was established in the wake of the Great War; the second, the Bretton Woods order, after the failure of Versailles had brought on another conflict. The third era in international economic relations dates from the breakdown of the Bretton Woods covenant in the seventies, and it is best understood as a reversion from the principles of Bretton Woods to those of Versailles.

I have no wish to romanticize the domestic and international compromises of the twentieth century. Keynesian consumer society saw the apotheosis of alienation into an entire mass culture; neocolonialism was a less than satisfactory condition for developing nations emerging from colonialism. A simple return to the welfare state at home and Bretton Woods abroad would not work; Thatcher displaced Keynes because the Keynesian system was no longer working. Nevertheless, of the three international orders in living memory, the Bretton Woods system worked best, lasted longest, and offers the most useful lessons for the future.

Woodrow Wilson's Covenant of Law

In deference to the language and the theology of the first global lawgiver of the century, we shall speak of the postwar orders created in 1919 and again in the forties as covenants. Like the successive dispensations of divine favor in Wilson's Calvinistic faith, the postwar economic covenants defined relationships between unequal partners across a broad range of issues.

Animating the Versailles Covenant was the spirit of Moses—at least the Mosaic spirit as presented by early Christian controversialists. An eye for an eye and a tooth for a tooth was the spirit of Versailles. Immense reparations were assessed against Germany, and to pay them, in the words of Britain's Lloyd George, Germany was to be squeezed "until the pips squeaked."

Germany was not the only debtor in the world of Versailles. Victorious France emerged from the war with a debt four times larger than the indemnity she was forced to pay Bismarck after the Franco-Prussian War. The other Allies, too, had large war debts, generally to the United States.

American statesmen were not interested in the forgiveness of debts. "They hired the

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money, didn't they?" said Calvin Coolidge when questioned on the subject. As the Allies considered how they were to pay, the answer seemed clear: they would take it from Germany. Reparations from Germany would service the debt to the United States—a good idea, perhaps, had it been workable.

International debts can be paid in only a handful of ways. The easiest is the one brought to such perfection by the United States in the Reagan years: foreigners can be bullied or coaxed into accepting dubiously denominated paper certificates as payment in full. The Germans tried this, briefly, after World War I; the result was the hyperinflation that still makes sensitive Germans shudder. With this door closed, the Germans were forced to rely on others. Here too their freedom of action was limited. Their international holdings had already been confiscated and their bullion reserves were under the jealous supervision of the Allies; they were forced to earn foreign currency through a trade surplus.

German imports were to be curtailed—no champagne for the Hun—while Germany's standard of living fell and its exports increased. Low-wage German labor would live poorly while it produced goods to be sold abroad, thereby earning money and Heaven's forgiveness as well.

It turned out, however, that neither of these measures worked as planned. The Allied soldiers had not spent four years in the trenches to be thrown out of work by the Hun. Achieve a trade surplus—but not by forcing the Allies into deficit. This was the program for Germany, and it was an impossible one. In the end, Germany made payments to the Allies with money it borrowed from the United States, and the Allies in turn repatriated these credits to service their own debts. The scheme was worthy of the Hall of Mirrors at Versailles, but the question of debt continued to loom over the world economy in the brief interwar era.

Yet Versailles was not all darkness and wrath. There were countervailing impulses of a kinder and gentler sort. These sentiments found expression in the long succession of New Year's resolutions that adorned the diplomacy of the 1920s. The nations of the earth assembled and swore with straight faces that they would never use poison gas, never admit aggression, never oppress workers and ethnic minorities, never negotiate in secret, and finally, in the Kellog-Briand Pact, they forswore war itself. Historians report that not all of these promises were kept.

Nor were these kinder and gentler impulses entirely absent from the economic negotiations of the twenties, although efforts to reform Versailles stopped well short of structural change. The financial tacticians who strove to operate and adjust the Versailles system were able men of goodwill. Within the strict limits of their mandate, they were magnanimous and flexible; but until it was too late, and the system broke down amid the bitterness and recriminations of the thirties, they could never bring themselves to acknowledge that the problem was not one of application but design.

As debt and reparations posed the most vexing questions of the interwar system, so they brought out the best and the worst in interwar policy. Given that the essential thing could not be done—cancellation of debts was politically impossible—what remained was to adjust the reparations to Germany's ability to pay and to enhance that ability by attracting private American bank capital to the Weimar Republic. This challenge called forth some of the most sophisticated financial maneuvers ever conducted.

In some respects the allied reparations commissions of the 1920s were in advance of the debt managers of our own times. Both the Dawes Plan, which reorganized the German economy in a successful attempt to encourage U.S. banks to make extensive loans, and the Young Plan, which reduced Germany's ultimate reparations and debt burden, showed signs in places of a more generous spirit than the one that animates their latter-day heirs—the Baker and Brady plans.

Despite these advantages, the economic health and the financial balance of the world system continued to depend on transatlantic capital flows from the United States—the Japan of the twenties. So long as the American stock and real estate markets continued to boom, such capital was plentiful, but when markets

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crashed in 1929, American lenders wanted their money back. The Young Plan, hailed in 1929 as the definitive answer to the international debt crisis, vanished into thin air. The unthinkable, too late, became suddenly thinkable. In 1932 the Allies offered to write down Germany's debts by 95 percent and to make the remainder payable to a European conservation fund rather than to the Allies. After a few months of negotiation, even this plan was scornfully rejected by the new German chancellor, Adolf Hitler.

As the depression deepened, what remained of international economic cooperation broke down. The promising free trade proposals of the twenties collapsed; each nation pursued narrow interests; beggar thy neighbor became the cardinal rule in the international economy. An order could hardly be said to exist, and with the economic aspects of the Versailles settlement crumbling, its security and political aspects were also vulnerable. Collective security without collective prosperity proved unattainable. Once again chaos and darkness covered the earth, and plagues more monstrous than those visited on Egypt were unleashed on the world. Once again the world's leaders went up to the mountains—in New Hampshire, not Sinai—and this time they descended from the heights with a more comprehensive and workable code.

The Covenant of Grace

As they looked back at the disastrous aftermath of Versailles, the British and Americans believed that a more generous settlement would have been more secure. If Versailles had been a Covenant of Law, the authors of Bretton Woods were determined to proclaim a Covenant of Grace.

The first element of grace in the new dispensation concerned debts. "Forgive us our debts as we forgive those who are indebted to us" was the evangelical sentiment on the lips of the delegates at Bretton Woods. Lend-Lease was only one weapon in Franklin D. Roosevelt's arsenal to ensure that inter-allied debt would not return to haunt the peace settlement; in return, the Allies were not forced to squeeze compensating sums from the Axis after the war.

It was not only debts that Bretton Woods aimed to forgive. Sins too were to be forgiven. After a period of reconstruction, Germany and Japan were to return to the family of nations and were to enjoy a greater freedom of buying and selling in markets controlled by other powers than ever before.

The Bretton Woods order was based on Keynesian principles. John Maynard Keynes, a sharp critic of the Versailles settlement, played a major role at Bretton Woods; the Allies were gracious because they believed Keynes when he told them that grace would lead to peace and wealth. Forgiving debts and stimulating demand were the keys, Keynes believed, to the establishment of the stable prosperity the world had not known since 1914.

For Keynes, as for most midcentury economists, demand was the great economic problem. How could markets be found for the unprecedented masses of goods that the new industrial system was able to produce? Instinct and experience had previously taught that increases in worker pay meant decreases in factory profits; capitalist society had now to absorb the somewhat counterintuitive concept that a system of high wages and mass consumption would create more benefits than costs.

The Versailles system failed to produce the sustained demand on which the new industrial economy depended. Indeed, it constricted demand. The resulting stresses fomented social conflict within countries and international conflict between them. Keynes and his colleagues were resolved that the new system would provide opportunities for stable, long-term growth in a more peaceful atmosphere.

The first element in the postwar plan was to channel dollars to Europe to stimulate purchasing power without creating burdensome repayment obligations. The Marshall Plan was one aspect of this unfolding policy, but there were others. The International Monetary Fund (IMF) and the World Bank (its official name, the International Bank for Reconstruction and Development, reflects the World Bank's original postwar mission) were funded to reduce the necessity for austerity in Europe.

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The second element in the new covenant was composed of two factors that today we often forget were once considered complementary: full employment and free trade. As the Treasury Department of the United Kingdom noted in its 1943, Keynes-authored proposal for what became the International Monetary Fund, "If active employment and ample purchasing power can be sustained in the main centers of world trade, the problem of surplus and unwanted exports will largely disappear." With full employment in the major trading countries, the political pressure for protection will be low. At the same time, the competitive stimulus of free trade will offset the inflationary tendencies of full-employment policies.

Taken together, the various elements of the postwar system constituted a program for achieving a noninflationary but Keynesian virtuous circle. Infusions of dollars would prime the pump of the international economy in the same way that stimulative policies had helped national economies recover from the depression. The competitive pressures and comparative advantages of international trade would keep prices low, while the combination of high wages at full employment and international competition would induce employers to search for ways of improving productivity. This in turn would generate a constant demand for new investment and thus, in the Keynesian view, reduce the necessity for government intervention in the economy to stimulate such investment. The tight labor market would enable workers to press successfully for their due proportion of the benefits of enhanced productivity, creating new purchasing power and stimulating the circle of growth once again. Output, productivity, purchasing power, and investment would all continue to rise, while the need for state stimulation would decline.

Many objections can be raised against the economic assumptions underlying this strategic program, but as a matter of historical record the policies based on these approaches led to an unprecedented era of full employment, rising living standards, economic growth, and improved productivity—without excessive inflation. Since the world shifted away from the Keynesian perspectives of Bretton Woods in the early seventies we have had less growth, more unemployment, more protectionism, more inflation, and larger government budget deficits than in the halcyon days of the Covenant of Grace.

As long as this system worked, social democracy dominated the political agenda. The coalition between organized labor and other popular movements on the one hand and the financial and business elites on the other that marked the later Roosevelt years in the United States set the agenda throughout the Western world. Even the parties of the right supported the Keynesian system in its heyday. In those sunny days it seemed that all the Western world was moving, so to say, toward Stockholm; the masses would grow richer, more leisured, and better educated in perpetuity. The unexpected crisis of this system in the seventies struck a blow from which progressive movements have yet to recover. A further examination of the structure of the Bretton Woods system will help us see why it broke down.

Although heavily influenced by Keynes, the Bretton Woods system was the product of international relations, not a Cambridge common room. The major factor shaping the postwar world was the overwhelming, unprecedented economic supremacy of the United States, the greatest economic powerhouse in the world and the one great industrial society to have escaped the war's destruction.

The American policymakers of the forties sought to combine Keynesian ideas with policies designed to advance traditional American interests; the result was a hybrid system best called unilateral global Keynesianism. We have already seen why the system can be called Keynesian; its other features were just as important.

The new system was unilateral because the United States took responsibility for its overall direction, providing the hard money that primed the European pump but exercising a veto over the subsequent development and pace of international stimulus. The United States was the international lender of last resort, functioning as a de facto central bank for the Western world. As the world's central banker, it was prepared to be more openhanded than

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such banks generally are. This stance not only reflected the conviction of American statesmen that international growth was essential for peace, it reflected the continuing views and interests of a powerful domestic coalition. Although the United States became a creditor nation during the First World War, the international creditor interest in American politics remained relatively restricted to Wall Street. The country as a whole retained the instincts and characteristics of a debtor society. Farmers, small businesses, and homeowners like easy money; so do the banks and thrifts that hope to lend to them. The United States is the Texas of the industrial world; it benefits from an expansionary, easy-money climate. The federal political system reinforces this orientation; debt-oriented, underpopulated "developing" states like Arizona and Wyoming are heavily represented in the national government. The commitment to international Keynesianism can therefore be seen as part of a postwar American effort to create a world in which the United States, specifically, would be certain to prosper. It was fortunate that this interest coincided with that of others and that, at least in the forties, what was good for the United States was good for the world.

Globalism, like easy money, is a long-standing interest of the United States. The Bretton Woods system was global because the United States used its opportunity at the end of the war to intervene decisively against the prewar European system of empires. While its anti-imperialist sentiments rarely prevented the United States from advancing its own imperial interests, American statesmen have generally preferred an "Open Door" policy to one that divides the world into rival closed blocs. We have resented European efforts to limit our trade since the Bostonians rioted against the colonial Navigation Acts; after the Second World War we generally—though not always—used our influence to break up the imperial blocs and make the Open Door the basis of the world economy. The British fought hard at Bretton Woods to preserve their imperial preferences, the system of tariff and trade legislation that helped cement their wobbly empire, but the American position was firm: the end of imperial preference was the price for American assistance to Britain after the war. Americans did not hesitate to use economic pressure at other key junctures to force European retreats from the rest of the globe; Holland's efforts to maintain its hold over what became Indonesia collapsed after the United States conditioned Marshall Plan aid on withdrawal; Britain, and therefore France and Israel, had to withdraw from the Suez in 1956 when Washington mounted an attack on the pound.

Europe often resented these displays of American power, but the economic system survived these frictions. The Covenant of Grace worked for all the major industrial economies, not just for the United States, and when the Bretton Woods system began to fall apart, the consequences were grim for all parties.

The Crisis of the Covenant

The Bretton Woods system worked well in part because it rested on four "Great Compromises": on demand, on development, on trade, and on institutions. These four compromises made up an overall system, and countries accepted less favorable terms of compromise in one field for the sake of more attractive terms in another. The key to understanding the condition of the world economy today is to see that this complex system has broken down in each of its parts. For different reasons and to different degrees all four Great Compromises have come unraveled. As a result, the system works less well than it did at its peak of efficiency, and consequently countries are less committed to the global system. A look at the problems with each of the four compromises will explain why the system is in trouble and suggest the kind of action that can put the world once again on the path to sustained growth.

Demand As the Great Compromise on Demand was the core of Bretton Woods, the breakdown of that compromise is the key to its collapse. The compromise was a complex and finely balanced system; it rested on spoken and unspoken agreements to coordinate domestic

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and international policies in the leading countries. Essentially, all countries agreed to coordinate macro- and microeconomic policy along Keynesian lines while the United States would provide the liquidity on which such a system must rest. The United States would provide the rest of the advanced market economies with the capital and markets they required; these countries in turn would stimulate domestic demand to the extent possible.

This Great Compromise has not completely broken down. The current U.S. budget and trade deficits are the ghosts of the Bretton Woods system. The United States is still stimulating international demand by acting as the world's consumer of last resort, but the costs and the risks have become unacceptable both here and abroad. The continuing budget and trade deficits have undermined world confidence in the long-term value of the dollar; in the future the United States will be increasingly unwilling to sink deeper into debt for the sake of the global economy, and the rest of the world will be less willing to lend us the money to support our consumption.

The other side of the Great Compromise on Demand has also fallen into disrepair. The commitment of our major trading partners to Keynesian policies at home is weaker than it used to be. Part of the reason has to do with the increasing economic costs of the welfare state associated with midcentury Keynesianism; more profoundly, global economic integration limits the ability of all countries, not just the United States, to pursue policies of Keynesian stimulus. In an integrated world economy with open trade in capital and goods, countries following stimulative economic policies often stimulate the economies of their trading partners rather than their own. If Belgium stimulates domestic demand, there are no guarantees that Belgian manufacturers will benefit; Belgian consumers are likely to buy French or British rather than homemade goods.

This problem is greatly exacerbated by the competitive pressures of low-wage manufacturing in developing countries. With workers in Asia and Latin America (and, soon, Eastern Europe) producing goods for export at 10 percent of the wages paid in the advanced industrial economies, it is becoming increasingly difficult for any country to pursue traditional Keynesian policies of stimulus at either the macro- or microeconomic level.

The United States can no longer serve as the locomotive of world growth, and no other economy can replace it. This is the first of the four shadows hanging over the world economy as we head into the nineties.

Development This and the right of all nations to equal treatment in the world economy weighed heavily on the minds of those who shaped the postwar system. For the first time, the industrial development of less developed regions of the world became a stated objective of international economic policy, and the responsibility for facilitating investment in poor countries fell to the World Bank.

The Great Compromise on Development at Bretton Woods rested on the principle of exceptionalism. Developing countries were to enjoy special benefits and to labor under special restrictions. What made this a compromise was that, initially, the exceptionalism was often benign; agricultural and then increasingly industrial exports from developing countries were admitted to world markets under a series of tariff exemptions—to Europe under the Lome Agreements and to the United States under the Generalized System of Preferences.

The benign exceptionalism of the postwar system, however, rested on the assumption that developing countries would remain relatively insignificant factors in the world economy. As the importance of developing producers grew, especially following the successes of export-oriented economies in creating powerful industrial sectors in the seventies and eighties, the exceptionalism became less benign. In trade, developing countries found themselves exposed to new systems of quotas and restrictions; on other fronts, the climate turned even more hostile to their aspirations.

The response of the international system to the debt crisis was the most striking, and dangerous, example of the new attitude. Sacrifices that would be inconceivable in advanced countries were routinely imposed on developing countries heavily in debt as the price of international assistance. Versailles-style policies of austerity and restriction were applied to developing debtors; Argentines,

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Mexicans, and Brazilians are still being squeezed "until the pips squeak."

Trade We have already seen what the Europeans gave up in the postwar compromise on trade: they abandoned their colonial empires in exchange for participation in a U.S.-funded and stimulated global order. For forty years the world trading order, under the auspices of the General Agreement on Tariffs and Trade (GATT) prospered. Barriers to trade came down, tariffs fell, and international trade expanded to the benefit of all.

But the relationship between full employment and free trade was forgotten in the seventies. In response to the collapse of the Bretton Woods exchange-rate system and the resulting bouts of inflation, governments everywhere retreated from full employment. Unemployment rates doubled in the United States and tripled in Europe. The growth in real wages slowed, and, in countries like the United States, real wages never returned to the peak levels reached in the early seventies. Markets grew more slowly; workers and plants were idled. The competition among the world's manufacturers for the remaining market niches intensified; protectionist pressures rose in the major industrial countries. Although negotiations for liberalized trade continued, especially in the Uruguay Round of GATT negotiations, by the 1980s most observers were convinced that the world was well on the way to a new and illiberal trading order.

In response to these unfavorable conditions, nations have begun to turn away from the global multilateralism of Bretton Woods and have begun to return to the older idea of regional blocs. These blocs are expected to consolidate and protect large consumer markets. The European Community is one such bloc; there are signs of another in the Eastern Pacific; the U.S.-Canada Free Trade Zone could be the nucleus of a third.

Illiberal trade, competitive blocs: the world has seen these before. In 1945 it was the considered opinion of most world leaders that these blocs created the international tensions that led to war. We are already seeing reviving tension between the United States and Japan over economic issues; a world of slow growth and politicized trading relations will further test the relationship of the three blocs rising on the ruins of the Bretton Woods system.

Institutions The final compromise brokered at Bretton Woods concerned the institutional framework of the postwar settlement—the nature and mandate of the international economic institutions. The policies of these institutions, it was agreed, would ensure the greatest possible expansion of economic demand while maintaining currency stability. The United States, the major source of funds for these institutions, could veto their actions. And since both the IMF and the World Bank were to be headquartered in Washington, the U.S. government could oversee their activities.

Today, the United States no longer can or will fund the international institutions at the necessary level. Lacking sufficient resources, these institutions can no longer promote demand in the central trading economies or even at the periphery.

With the end of the original Bretton Woods fixed-exchange-rate system, the IMF lost its mandate to help countries cope with short-term exchange rate problems. An attempt in the late 1960s to give the IMF a constructive new role as a major source of credit failed, and since then the fund has been relegated to the margins of economic activity—acting as the police officer and enforcer in the international debt crisis. From playing an expansionary role in the Covenant of Grace, the IMF has been converted into an organization like the Allied reparations commissions of the Versailles era, mandating austerity in the interests of an unpayable debt.

The Thatcherite World Order

With the United States unable to serve as an effective locomotive for world growth and with no other national economy able to take its place, we find ourselves increasingly in the world of Versailles—a world of slow growth, relatively high interest rates, depressed purchasing power, and economic blocs. This combination proved explosive in the past; it is, if anything, more dangerous today than it was fifty yeas ago.

The international revival of Victorian economics is the most dangerous, as well as the

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most pronounced, feature of the contemporary scene. Keynesian macroeconomic stimulus no longer helps the countries that apply it; countries now try to "compete" by keeping costs of production as low as possible. Low wages, the abandonment of costly regulations, and a scaling back of redistributory taxes and expenditures are now all seen as the keys to national prosperity. Poor countries that refuse to follow these policies lose their access to international sources of capital; rich ones suffer capital flight and the deterioration of their international position.

The new, Thatcherite world order attempts to combine the globalism of Bretton Woods with the economic orthodoxy of Versailles. With free global markets for capital and goods, investment will flow to the places where goods can be made most cheaply. Often this means that investment flows to developing countries with low labor costs—and these countries often maintain draconian anti-union policies to make sure wages remain low.

The emerging Thatcherite world order is not a stable one. Like the Versailles order, it suffers from chronic problems of oversupply and weak demand. Glutted markets in basic industries like steel and automobiles increase political pressures for protection; trade rivalries are growing among the three major blocs of North America, Europe, and East Asia. Also like the Versailles order, this new world order is subject to speculative bubbles and collapses on its volatile financial exchanges.

Two great developments will be placing new strains on the international economic system in the nineties: the return of the Comecon (East European) nations to the world market economy and the continuing industrial revolution in much, though not all, of the developing world.

We are only beginning to realize the difficulties facing the former East bloc countries. Threatened constantly with internal chaos, unstable regimes composed of inexperienced reformers and veteran party officials must tack uneasily between popular enthusiasms and cold realities as they perform a task never undertaken successfully anywhere in the world—the dismantling of communist command economies and their conversion into viable market societies. The early steps in this direction in Hungary, Poland, Yugoslavia, China, and the Soviet Union all suggest that this process will, at best, be slow and difficult. If this process takes place under adverse global conditions—if interest rates are high, global growth is slow, markets are glutted, and a world dividing into economic blocs erects barriers to the free flow of goods—then the difficulties of the centrally planned economies will be that much greater.

Even under the most favorable conditions we are headed for years, perhaps decades, of turmoil and instability in this part of the world. Economic crisis, competitive meddling from foreign blocs, restricted markets, and chronic hard-currency shortages are almost guaranteed to reawaken the forces of nationalism and hate so deeply rooted between the Volga and the Elbe. Two world wars have broken out already in Eastern Europe in this century, and the kindling exists to ignite yet a third.

The Third World, too, faces crisis and upheaval. The newly industrializing countries (NICs) and countries like Malaysia, India, and the People's Republic of China, on the brink of similar startling advances, will be frustrated by the deceleration in global demand and the high real interest rates that are likely to accompany this kind of world. As countries with less to offer in terms of markets, technology, and capital, they will not be as effective as the developed market economies in building the kinds of favorable trade and investment relations at the state-to-state level that will be essential in such a system. Less developed countries will find their freedom of action even more seriously compromised. These countries will find it difficult to evade the strangling embraces of the developed world embarking on a sophisticated version of its nineteenth-century imperial rivalries.

At the same time, these newly industrializing societies will find themselves disposing of much greater reserves of force—economic, military, and political—than they have been accustomed to wield. Hands rough from the plough grasp the levers of the tractor, then the tank, and soon, perhaps, they will reach for the control panels of the ICBM.

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The last time the world deprived two major countries of what each considered its rightful "place in the sun," the result was World War II. Germany and Japan in the 1930s; China, Indonesia, Malaysia, Pakistan, Korea, Thailand, Brazil, and India in the 1990s. Once again the world must accommodate new powers or face incalculable dangers.

Beyond Thatcher

This article is not the place for a detailed description of an international economic alternative to Thatcherism. I have made some suggestions in this direction in *World Policy Journal* (Winter and Summer issues, 1989; Winter issue, 1990) and in *Mortal Splendor: The American Empire in Transition* (Houghton Mifflin, 1987, 1988). Instead I would like to close with a few thoughts on the political implications of the Thatcherite world order.

There are two modernizing agendas in the world today. The "progressive" agenda refers to those interested in modernizing the economy: making it function more effectively, produce a broader range of goods and services at a lower cost, and so on. The other great contemporary agenda is the democratic one: opening cultural, social, economic, and moral opportunities to those formerly shut out.

The Keynesian Compromise provided the democratic left with a program that was both progressive and democratic. The construction of a Keynesian mass consumption society offered rapid economic growth as well as providing new opportunities for most of society's members. That social project broadly defined the objectives of democratic and progressive forces in both the First and Third Worlds.

The return of conventional Victorian economics has reopened a gap between the progressive and democratic agendas. Democratic forces find themselves overwhelmed by economic changes and without a convincing economic alternative. Economic modernizers find themselves calling for programs that can barely, if at all, be reconciled with democratic politics.

The dilemma is clear in Eastern Europe, where longtime democratic foes of communism, including Lane Kirkland, are warning against the political consequences of the economic policies being adopted by the new governments. The IMF and the Western governments are proposing essentially that the governments of Poland and Czechoslovakia adopt the policies of Chile. But Kirkland warns that free trade-union movements are essential to the creation of Western-style middle-class democracies in the East, and that the austerity and rigor for which the East seems destined threaten the consolidation of both the free trade-union movement and democracy itself.

Kirkland is almost certainly correct, but in neither the East nor the West do today's democratic and leftist forces offer a realistic alternative to the Thatcherite agenda. Western socialist parties now concede that they have little control over their economic policies. The French and Spanish socialists have openly linked their economies to the Bundesbank, the most rigorously orthodox of the world's central banks. The British Labour party, like its continental allies, is able at best to offer "Thatcherism with a human face."

This is a depressing and disturbing change from the classic postwar political alignment in the West. During the Bretton Woods era, the social democratic vision of the economic and democratic agendas was the consensus that guided societies. The left-of-center parties favored the rapid extension of the social democratic order; the right-of-center parties accepted the existence and even the extension of the social democratic state—they wanted only to move at a slower pace. Today, the left finds itself unable to challenge Thatcherite economic logic directly; it confines itself to offering to manage the process of Thatcherite adjustment more humanely and prudently than the true believers.

There is no shortage of tasks that the democratic left believes must be accomplished. New movements with new agendas have broadened the traditional agenda of the Western democratic left with calls for gender justice, environmental control of industry, and a better ordering of North-South relations. The left, however, has only the most limited sense

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of how, economically, its goals can be reached. At a time when technological revolutions are vastly increasing social productivity in the advanced countries and the full force of the industrial revolution is being felt in more non-Western societies than ever before, the left is unable to show how these economic gains can be effectively harnessed to serve democratic ends—and it has also lost its sense of how democratic social reform provides the basis for continuing economic advances. Never have human beings been more productive—yet that productivity is not directed to social ends. Dickensian conditions mark the industrialization of the developing world; real wages and job security are falling in much of the West.

However, there is an alternative to Thatcherism. National governments may be incapable today of presiding over Keynesian social compromises, but international agreements can provide the framework in which the classic Western compromise can once again make economic sense. The process of accommodation is not an impossible one; it does not depend on unknown or untested principles. The Bretton Woods system rested on American supremacy; a new system based on the principles of Bretton Woods would have a multilateral rather than a unilateral structure. The United States, Europe, and Japan would cooperate to renew the expansionary and accommodative mandates of the international institutions and to re-create a noninflationary global climate hospitable to development and growth. Today, no single country can be the locomotive of world growth, but the leading economic powers can pool their resources to create a multilateral locomotive and then can all ride together on the train.

Furthermore, although no country today can successfully create a regulatory environment that differs too broadly from the general level of conditions prevailing in the world, cooperation among countries can establish a global floor for wages, working conditions, the social wage, and environmental protection. On a regional scale, something like this is beginning to happen in the European Community.

Essentially, the democratic left must raise its sights from the national to the international level. Something similar happened in American history in the past. The U.S. labor movement had won certain basic rights in the old industrial centers, especially in New England, but economic development opened regions like the South to industrialization and plants began to move to low-wage sectors of the country. The answer for the labor movement and its allies was to move from the state to the national level: to establish national rather than state minimum-wage and labor-protection laws.

Now capital has gone global, and labor must do the same thing. A retreat into protection and isolation would be disastrous from every point of view; the democratic left needs to take the lead in developing and articulating an international agenda for the world taking shape around us. That world is as badly in need of constructive compromise as was the strife-torn world of Victorian capitalism. The struggles of race, nation, and class that the old system generated and exacerbated have the power to be more destructive than ever today, and the need for constructive cooperation is greater than it ever was in the past.

A new international economic order built on the principles of Bretton Woods should be the keystone of any genuine international initiative of the democratic and progressive left. There is no higher priority than developing—and building support for—a new global covenant of grace. □

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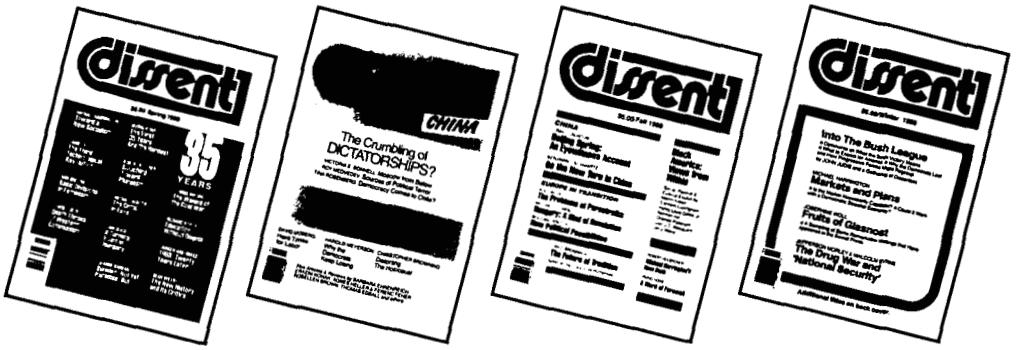

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Fred Siegel

THE NEW LIBERAL JOURNALS

"Can you think of a time in this century," asked a Democratic party activist, "when the Democrats were in worse shape than they are now?" "Yes," I answered, "the 1920s." One would have to go back to the uninspired Democratic presidential candidacies of James Cox in 1920 and John W. Davis in 1924 to find a period in which intellectuals were as cut off from Democratic party politics as they've been in the eighties. The separation is so severe that even after a decade of being shut out of the White House, the Democratic National Committee hasn't been able to tap the intellectual talent to create a policy arm for the party.

A new quarterly journal, the *American Prospect,* edited by Paul Starr, the prizewinning Princeton sociologist, and Robert Kuttner, the widely respected economic journalist, tries to narrow the gap. The editors, both of whom were associated with the magazine *Working Papers,* a 1970s attempt to create a left-liberal counterpart to the *Public Interest,* seem likely to be more successful this time. *Working Papers* was divided against itself, caught between New Left nostrums that required the dismantling of "corporate liberalism" and a desire to make welfare-state programs work more effectively. But the Reagan years quashed that dilemma and the *American Prospect* is free to deal with the political realities.

It is, in short, the first fully post–New Left liberal journal. By featuring such venerable liberals as Arthur Schlesinger, Jr. and John Kenneth Galbraith in its first issue, it also signals that it's a magazine that will attempt to revive the liberal tradition that broke down in the 1960s. Starr's editorial introduction, which calls for "the creative use of government for common purposes," refers back to what was best in the New Deal tradition.

The editors describe the *American Prospect* as a "journal for the liberal imagination," though, priced at a hefty $7.95 per copy and written in a style only an issues analyst could love, it's more likely to be a magazine for policy experts and their political clients. But much of the material is good—well-thought-out and well-documented. Two articles in particular demonstrate fresh thinking. In the wake of the HUD scandal, Peter Dreier and J. David Hulchanski describe Canada's success in using government subventions to successfully support low-cost housing built by private, nonprofit builders. In "The Real Welfare Problem," Christopher Jencks and Kathryn Edin use new survey research to go beyond the current debate over workfare versus welfare "rights." They show that many of those on welfare are already working off the books in order to supplement their meager allowances. That means the issue is not work versus welfare but how to aid the working poor through a variety of tax and mortgage credits.

Pollster Stanley Greenberg's article, "Reconstructing a Democratic Vision," suggests that taxpayers want and are willing to pay for more activist government policies on poverty, education, and the environment. But even with the "peace dividend" the editors are counting on, the public mood will revert to cynicism unless voters can be shown that "more government" works. Something like that cynicism has already become visible in New York State, where aid to education has grown 88 percent since 1982 but without any discernible result. Lack of trust in government produces contradictory trends, so that even as voters say they want more government to meet pressing problems, they have, according to most surveys, become more sympathetic to the Republicans.

What's missing from the *American Prospect* is an explanation of why the very term liberalism has come to be seen as an epithet equated with elitism. This is more than a matter of mere intellectual curiosity. When Adlai Stevenson, the political godfather of postwar liberalism, was complimented on having educated the voters during one of his losing campaigns, he set the style for a new upscale liberalism by replying, "Yes, but the voters flunked the course." Galbraith agrees, and in an essay whose rather arrogant tone is symptomatic of why liberalism collapsed, he finds no fault with himself or his colleagues or their politics but blames everyone from the public to political consultants for the liberal downfall.

Galbraith appeals to a world of vanished certain-

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ties in which we could be sure that the Republicans were always the *stupid* party. It is the loss of such certainties that should have pushed the editors to lay out at least part of a new public philosophy for liberalism. Instead, the initial editorial is largely dedicated to the tactical possibilities opened up by the fall of communism. When the *Public Interest* began in 1965 it walked with confidence onto a largely empty playing field. Its then largely liberal editors could mock the "ingrained philistinism and anti-intellectualism" of American politics because they were sure that social science promised real advances. But the reformist and authoritative social science of the 1960s has been replaced with what might be described as forensic social science. Every side in a policy dispute is now capable of calling on its own hired academics to sustain its fixed positions.

In the new environment not much distinguishes one set of experts from another. Starr has written confidently of liberalism as entirely self-sufficient and apart from socialism. But there is little in the historical record to support his confidence. It was left-wing pressure that leavened the liberal elitism of Roosevelt's Braintrusters. In the 1960s the absence of those solidaristic pressures produced the dubious social engineering of "the best and the brightest." In the years since, the individualism justifiably at the heart of the liberal ethos has swelled to produce a legalitarian liberalism so preoccupied with individual claims as to be scarcely aware of the consequences of those claims for the larger community.

Together with the *American Prospect* we have another new journal, *Reconstruction*, edited by Harvard Law professor Randall Kennedy and meant to serve as an intellectual center for the black community. *Reconstruction* is concerned with some of the same issues as the *American Prospect*. Its article on "The Politics of Cooperation at the Workplace" could fit comfortably in either. But *Reconstruction*, operating on a far more modest budget than the *American Prospect*, is primarily, though not exclusively, a magazine devoted to opening up debate about African-American issues at a time of resurgent black separatism. Kennedy, whose insistence on defending both racial equality and a common culture has drawn harsh and often personal criticism, says, "Everything is up for discussion."

Diverse in style and tone, its articles range from Stephen Carter's intriguing memoir, "The Best Black," a critique of affirmative action from the perspective of a black intellectual, to Peggy Davis's distinctively left-wing piece on inner-city social breakdown, which has the temerity to praise the Moynihan Report. There is also a piece on the First Amendment and group defamation, the first of a series of articles on the free-speech issue on and off campus. Kennedy is sufficiently self-confident to give "the last word" to one of his white associate editors, Peter Cicchino, who complains about the neoconservative tone of Stephen Carter's article on affirmative action.

Intellectual magazines both stimulate and signal political changes. The birth of the *National Review* in the mid-1950s was a catalyst for the conservative movement that followed. In the 1960s the *New York Review of Books* heralded a swing left from which it later veered away. The appearance of these new journals doesn't guarantee such changes but does serve the essential function, as in the Jencks-Edin article, of creating the straw out of which the bricks for a new, more viable liberalism can be laid. So we welcome both the *American Prospect* and *Reconstruction* to the ranks of struggling but vital small magazines of opinion. □

HOW TO ORDER

The American Prospect, A Journal for the Liberal Imagination, P.O. Box 7645, Princeton, N.J. 08543-7645. Individual subscriptions, $25 a year; $40 for two years; $15 for students. Single copies, $7.95.

Reconstruction may be ordered from 1563 Massachusetts Ave., Cambridge, Mass. 02138. Single copies, $8; individual subscriptions, $25 a year; $40 for institutions.

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Larry Connin and Ronald Randall

TOLEDO: MIRED IN MERGERS

The laissez-faire attitude of the Reagan administration unleashed a wave of corporate mergers, takeovers, and buyouts that has made some financial whizzes wealthy, transformed the face of American business, and wreaked havoc with many industrial cities in the Midwest and Northeast. We have allowed this wave of takeovers and buyouts to sweep across America with such speed that we can hardly keep up with the new names of businesses, let alone understand its impact upon society.

We do know that the rhetoric about "meaner and leaner" firms resulting from corporate restructurings does not create new jobs. In 1987, the Banking, Housing and Urban Affairs Committee, chaired by then-Senator William Proxmire, estimated that approximately eight hundred thousand jobs had been lost because of these restructurings.

The least understood and most neglected consequence of the nation's corporate restructuring is the devastating impact that merger mania is having upon our industrial cities. Consider Toledo, Ohio. If corporate restructurings are allowed to continue as they did during the Reagan years, the future of many cities will be like that of Toledo.

Toledo has been much more than a blue-collar, industrial town. Until recently, it was home for six Fortune 500 firms, and there are two more nearby—a large number for a city of just over three hundred and fifty thousand. Three of the city's Fortune 500 companies have their roots in the glass industry: Owens-Illinois (O-I), Libbey-Owens-Ford (LOF), and Owens-Corning Fiberglas. Although each has moved to different product lines, they were responsible for the city's claim to be "the glass capital of the world."

The three remaining Fortune 500 firms have direct ties to the auto industry. Dana Corporation is the largest auto-parts manufacturer in the world; Champion Spark Plug, the world's largest spark plug manufacturer; and Sheller-Globe Corporation, an international supplier of automotive parts. In addition to these firms, the Toledo area houses operations for Ford, General Motors, Chrysler, and Jeep.

With the approach of the postindustrial, knowledge-intensive, service-producing society, Toledo appeared well positioned for the 1980s. The Fortune 500 firms should be engines of economic growth. The research facilities of the large firms should generate innovations leading to new jobs for skilled technicians and professionals. They should attract regional headquarters and the accompanying services—research and development, accounting, engineering, banking, advertising, public relations, and communications.

But no sooner did Toledo see light at the end of the 1981–82 recessionary tunnel than the takeover artists took over. Now takeovers, achieved and failed, are tearing apart the economic fabric of the area.

The city's Fortune 500 firms, once dominating the employment picture, now dominate the unemployment picture. Of the approximately twelve thousand manufacturing jobs lost between 1978 and 1986, we can trace over nine thousand two hundred of them directly to downsizing and plant shutdowns by Toledo's six largest firms. These industrial giants have become a major economic burden on the community. Whether the takeover was friendly or unfriendly, successful or unsuccessful, the results were about the same—companies (or divisions of new companies) heavily indebted, profitable units sold, headquarters relocated, and numerous employees laid off. Management turned its attention almost obsessively to the bottom line of the quarterly statement and jettisoned most future-oriented research. The city is in trouble because its Fortune 500 (mostly former Fortune 500) firms are in retreat:

- Owens-Corning Fiberglas avoided a hostile takeover bid by the Wickes Cos. in 1986 after many painful, evasive steps, including the sale of profitable divisions, taking on a $2.5 billion debt, and laying off 480 research employees.
- Libbey-Owens-Ford Company, once the largest employer in the Toledo area, sold its glass operation and its name in 1986 to the British-owned Pilkington Brothers for $353 million. After the sale, the remaining divisions reorganized around their nonglass operations in hydraulic equipment and plastic molding, creating a new entity known as Trinova, with approximately two hundred local employees.
- At the end of 1988, Sheller-Globe Corporation announced that it would move its corporate headquarters to Detroit in the wake of a $1 billion leveraged buyout (LBO) by United Technologies and Gibbon, Green, van Amerongen.
- Champion Spark Plug Co., the world's largest spark plug manufacturer, was purchased by Cooper Industries, Inc., a Houston-based conglomerate, for $700 million in July 1989. Cooper is moving the Champion headquarters to Houston.
- In June 1989 Society Corp., a Cleveland-based bank holding company, acquired ownership of

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Trustcorp, Toledo's largest bank, with $5.9 billion in assets. Trustcorp had gambled heavily on a revitalized Toledo economy, which depended upon the continued growth of the Fortune 500 firms. When many of its loans soured, it went on the auction block.

The most dramatic episode in the restructuring of corporate Toledo involved the city's largest company. In February 1987, Kohlberg Kravis Roberts (KKR) purchased Owens-Illinois, ranked 116 on the 1987 Fortune 500 list. The O-I LBO was notable for several reasons. In its $3.66 billion acquisition, KKR paid itself a $60 million advisory fee, the largest such fee in history until it broke its own record with the $100 million it paid itself in its leveraged buyout of RJR Nabisco. The O-I takeover was extremely friendly for O-I's top management: Robert Lanigan remained as chief executive officer and was rewarded with $3.868 million in salary and other compensation, substantially above his previous earnings and $2 million ahead of his nearest corporate competitor in Toledo. This lent credence to newspaper reports, in the words of one employee, that "they weren't trying to protect us from a takeover, they were setting us up for one."

Even more notable than the lucrative financial arrangements for the top players is the current condition of this once-great company. The takeover was distinctly *un*friendly for hundreds of employees. Nearly five hundred white-collar employees left the Toledo World Headquarters after accepting a 1987 severance package. Early in 1989, another two hundred fifty in the World Headquarters accepted—some voluntarily and some under coercion—a severance package offered because the company was desperate for cash. Interest payments are killing the company. KKR brought its financial wizardry to the buyout and walked off with the $60 million fee, but left on the O-I books $3.62 billion in long-term debt. O-I is stuck with paying $400 million a year in interest. After losing more than $59 million in 1988, O-I reported a staggering $74.5 million loss in the first half of 1989. The company is now trying to sell off divisions in order to meet LBO costs. To facilitate sales, each division has become a separate company, with the O-I Group serving as a holding company. With the exception of the glass-container company, which is considered O-I's "bread and butter," everything is on the auction block. O-I had no trouble selling off a wealthy division like Forest Products Division. But for the remaining divisions, O-I is desperately seeking buyers. Although not officially enunciated, the policy clearly is, "If there is a buyer for a division, O-I will sell it."

The tremendous debt obligations force immediate decisions unfortunate in the long run. A few years ago, O-I brought an infusion of research and technology to its television products by selling half the division to a Japanese firm, now the O-I Neg TV company. Today, O-I cannot match the amounts that Neg wants to put into picture-tube research. The likely result is that cash-starved O-I will sell its remaining half to Neg and abandon this promising technological area.

With the O-I management's culpability in the takeover and the resultant white-collar layoffs and downsizing of the firm, some Toledoans recall the enormous tax breaks they gave to the company just a few years earlier—in 1978—to keep it here. After threats that the O-I headquarters might move, Toledo responded with a package of incentives, including a twenty-year property tax abatement for a new headquarters building on the most desirable downtown property. The tax abatement alone is worth about $1 million per year. Other items included demolition of existing structures and site preparation; widening, reconfiguring, and improving streets; construction of a park and a boat harbor, a public parking garage, and an underground walkway from the O-I building to the parking garage. Considerable debate developed over the financing of the helicopter pad atop the public parking garage. A four-star hotel was subsequently constructed next to the O-I world headquarters on land once owned by the city.

Under extraordinary pressure, city council members delivered the package of incentives with a sigh of relief, thinking they had dodged economic disaster. The mayor announced in 1978 that O-I would add three hundred jobs with the completion of the world headquarters building and that one thousand three hundred jobs would be created in Toledo over the years as O-I brought in new operations.

Not only has O-I reneged on the job promise, but the financial arrangements for the world headquarters building teeter on the edge of the same financial abyss as the company. O-I is using less and less of its building. It created a partnership for the building and leases space from the partnership. But the financing is not working. Right now, O-I subleases space to other firms at less than cost. In sum, O-I is a cash-starved company on the brink of disaster. It cannot afford to think about the future. If the price is right, it will sell. In this environment, working a mandatory fifty to sixty hours a week is increasingly resented by the staff.

A longtime and very knowledgeable person in the glass industry recently said, "O-I is no longer

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contributing to the next wave of glass technology. Instead, O-I is trying to pay off junk bonds."

How long the company will last after the LBO is problematic. But the damage to Toledo has been done.

With five of the city's six Fortune 500 firms hit hard by buyouts or reorganizations in the 1980s, their contribution to local economic growth weakened dramatically. A major casualty of their declining presence was a twenty-year effort to revitalize the downtown area. In the late 1970s, plans were unveiled to rebuild the central business district. The hotels and the retail projects were counting on the trade of an expanding labor force in the downtown area, along with an increased flow of tourists and businesspeople. Instead, downtown employment plunged by 20 percent. Most stores and restaurants at the downtown festival marketplace struggled unsuccessfully to survive. In December 1989, Society Corp. (the holding company that bought Trustcorp) offered a virtually empty festival marketplace as a gift to the City of Toledo. A new office building stands empty.

Some analysts count on the service sector to provide jobs to replace the loss of manufacturing jobs. Discounting the tremendous growth in the fast-food business and other low-paying service jobs, the results in Toledo are not encouraging. For example, the Fortune 500 firms spawned a significant advertising/public relations and accounting industry in Toledo. The effects of the restructurings of the large companies are now rippling through Toledo's advertising/public relations industry. A significant number of layoffs have occurred in this sector. And beyond the devastating loss of jobs, the mergers and buyouts, or their threat, have robbed the city of a vital pool of charitable giving and leadership in the community.

The Reagan view of the takeover binge was simple. If a takeover increased the wealth of stockholders in the target company, it was a success. Too bad for the cities. The Bush administration appears committed to the same laissez-faire approach.

The Toledo experience demonstrates that many takeovers have not added to the viability of the American economy. Money has been made via "asset rearranging" by Wall Street brokers, investment bankers, and corporate lawyers. As John Maynard Keynes put it, "When the capital development of a country becomes a by-product of the activities of a casino, the job is likely to be ill-done." □

CULTURE IN AN AGE OF MONEY

(Winter 1990)

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Martin Jay

UNORTHODOX LEFTIST

POLITICAL AND SOCIAL WRITINGS, by Cornelius Castoriadis; trans. and ed. by David Ames Curtis. 2 vols. U. of Minnesota, 1988. xxx and 347 pp; xiii and 362 pp. $14.95 paper, each.

To open the pages of these two volumes is to breathe the stale air of a distant and remote planet. It is a world inhabited by intellectuals of prodigious energy, undaunted moral fervor, and intransigent political righteousness. Divided into warring sects, they are utterly convinced of the superiority of their vision and blisteringly contemptuous of their competitors for the role of true vanguard. The smaller and less influential the sect on this planet, the more overheated the level of its rhetoric and the more uncompromising the demands it places on a recalcitrant society unwilling to satisfy them. It is, in short, the world of Western European, in particular French, radicalism in the twenty-five years after the end of the Second World War.

Among the figures towering over the landscape of this planet is the author of these essays, Cornelius Castoriadis, who was born of Greek parents in Constantinople in 1922 and settled in France after the postwar collapse of Greek communism. Along with Claude Lefort, he was the mainstay of a group called *Socialisme ou barbarie*, which published a journal of the same name from 1949 to 1966. Although Castoriadis made his living as an economist for the Organization of Economic Cooperation and Development, his real life was spent as a militant of the French ultraleft. Initially marginalized and unheeded, he finally found an audience in the late 1960s, not so much among the workers whose redemptive role he trumpeted as among the students and intellectuals attracted by his integrity and fierce, anti-authoritarian denunciation of all versions of repression. In the early 1970s, the scattered texts written in the previous quarter century, often published under pseudonyms and known only to his most ardent followers, were collected and made available to a wider readership. Now, under very different circumstances, when their author has himself undergone changes no less drastic than those of the social context in which they reappear, they are translated with considerable brio by a young American admirer who earnestly hopes they will still be of use in the political struggles of our time.

The air wafting from these pages not only gives off a musty smell but is also filled with strange sounds. Among them are the harsh tones of polemical battles in which leftist *enragés* self-confidently proclaim the rightness of their analysis, heap ridicule on their opponents, and predict the direst of consequences if their views are not accepted. The only laughter that emanates from these volumes is that of belittling sarcasm aimed at enemies. Such noises seem peculiar to ears grown accustomed in the last decade or so to the hesitant murmurings of a chastened and insecure left uncertain of virtually everything but its own past failures.

Another more familiar sound, however, begins to dominate as the essays accumulate, that of scales gently falling from the author's eyes. For Castoriadis himself underwent a succession of disillusionments, which are recorded with unflinching honesty in the essays reprinted from *Socialisme ou barbarie* and its affiliated journal, *Pouvoir ouvrier*. His youthful communist sympathies already behind him, the first allegiance he manifests is to a heterodox version of Trotskyism. This soon proves insufficient, however, and he breaks with the Fourth International to embrace a more libertarian Marxism reminiscent of the council communism of Anton Pannekoek and Herman Gorter, whom he nonetheless manages to fault for living in the past. Then the failures of Marxism itself, in particular its economic analysis, became manifest to him; and while stubbornly remaining a revolutionary, he moves beyond his theoretical roots, ultimately discovering Freud and rediscovering Aristotle as new sources of radical inspiration. Along the way his partnership with Lefort dissolves and other *Socialisme ou barbarie* stalwarts like Jean-François Lyotard go off on paths of their own.

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The result is that Castoriadis is not likely, as Curtis frankly admits, to become the next fad in the American reception of European thought, at least not on the basis of these early essays. Indeed, even certain of his erstwhile admirers on these shores have turned against him, if the splenetic diatribe in a recent *Telos* by its editor Paul Piccone—hiding behind his alter ego, Moishe Gonzales—is any indication. And yet Castoriadis's political and social writings do have more than historical interest. For despite certain fundamental flaws in their positive vision, to which I will return, they contain some remarkably acute and prescient analyses of the crisis of communism that has come to a head in the past year. At least in this regard, the planet he inhabited displays an uncanny resemblance to our own.

Unlike so many other radical intellectuals in postwar France, Castoriadis had absolutely no illusions about the emancipatory pretensions of communist regimes. Not only Stalin but Khrushchev and Tito are subjected to a withering critique. And some of his most effective polemics are directed at the apologetic acrobatics of fellow-travelers such as the Merleau-Ponty of *Humanism and Terror* and the Sartre of *The Communists and the Peace*. Castoriadis, moreover, was not seduced by the contention that despite its political limitations, communism delivers the economic goods. Well before the Brezhnev era, he noted the tendencies toward stagnation in command economies that merely perfect the techniques of exploitation already advanced by capitalism.

In fact, it is one of his major contentions, reiterated with almost numbing frequency, that both communism and capitalism share the same essential logic, that of ever-increasing bureaucratic domination. No less fervent a critic of bureaucracy than the most rabid defenders of laissez-faire economics, he goes them one better by contending that the rationalizing imperatives of the capitalist firm—expressed, for example, in Taylorist methods of increasing workers' efficiency—are of a kind with the most repressive controls of the state planning bureaus. Bureaucracy, whether economic, political, or cultural, is for Castoriadis the ruling principle of our new dark age, an age in which barbarism appears in the guise of the faceless apparatchik and the corporation man.

However powerful the grip of the new barbarism, Castoriadis never concluded that its tenure will be unlimited. In the immediate postwar years, he grimly insisted that the contradictions of bureaucratic domination were such that a third world war was inevitable short of a global workers' revolution. Although he soon abandoned the more apocalyptic version of this prediction, he held on to the formula he had inherited from Engels via Rosa Luxemburg's *Junius Pamphlet*: only genuine socialism could be the alternative to barbarism. Even after his progressive disenchantment with Marxism, Castoriadis remained convinced that the proletariat was capable of rising up and smashing its chains. A number of his essays express his faith that such events as wildcat strikes in the American auto industry, English strikes against automation, and the Hungarian revolt of 1956 are the harbingers of the final struggle.

If bureaucracy was the master concept that characterized all that Castoriadis loathed in modern society, self-management served as its positive counterpart. Socialism would come, he affirmed, only when direct control was assumed by the workers themselves, the state was absorbed into society, and a federated structure of councils replaced all other forms of social organizations. There could be no compromise with the extension of direct democracy to all facets of political, social, and economic life; only then would alienation end and the grip of the "dead labor" of the past over the "living labor" of the present be broken. Bold enough to flesh out his utopian vision, Castoriadis devoted several articles to the "content of socialism," in which the specifics of a fully autonomous society were delineated in some detail.

At the center of his positive vision was a simple premise: humans are essentially defined by their role in the production process, and virtually all of the discontents they suffer are a function of its hierarchial division into managers and managed. Once this split is overcome, the organization of society will become transparent to those who collectively organize it:

> Either the real social life of society, in all its aspects, will become identical with a single network of institutions, the councils, or else the traditional institutions—Party, State, the management of the economy and of the factories—separated from the mass of the people and thereby from the real life as well, will rise up anew above society, and having become again the incarnation of a particular social category, will dominate it.

Here we have in as strong a form as it has appeared in radical theory in our century what might be called the agenda of redemptive politics. Short of the wholesale reabsorption of all "alienated" institutions into the "real life" of the collective producer of history, only barbarism will result. In Castoriadis's later, explicitly post-Marxist work, such as *The Imaginary Institution of Society* (1975)

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and *Crossroads in the Labyrinth* (1978), the same model can still be found, this time with what he calls the "social imaginary" of the "self-instituting society" assuming the role of collective historical subject. In both cases, the fundamental premise is that a redeemed society will produce an objective world it can recognize as its own unalienated creation.

This model, which was the inspiration for much Western Marxist theory after Lukács, has, however, lost virtually all of its allure today, which explains the "residues of a lost world" effect of reading Castoriadis's texts. Its theoretical problems have been demonstrated by commentators like Jürgen Habermas, who trenchantly criticizes Castoriadis in *The Philosophical Discourse of Modernity* for positing a monolithic ontology that lacks an appreciation of social differentiation. In particular, Habermas charges him with failing to grasp the importance of the intersubjective interactions that cannot be assimilated to a unified notion of self-institution. Lacking a more nuanced sense of the varieties of human action, Castoriadis has to fall back on a faith in society as a kind of primordial self-creating demiurge whose descent into alienation cannot be satisfactorily explained.

But perhaps even more fatally, his utopian vision has been called into question in the arena to which Castoriadis himself so often pointed for confirmation: that of practice. For unlike the earlier exemplary episodes in the history of modern revolutionary activity, such as the Paris Commune, the establishment of soviets in 1917 and its aftermath, and the Hungarian revolt, no workers' councils have yet to emerge spontaneously in the great European revolution of 1989–90. The crisis of bureaucratic "socialism" may have begun with an uprising of workers in the shipyards of Gdansk, but Solidarity was a trade union that wanted to reinstall an articulated civil society rather than absorb the state into a homogeneous network of self-managing councils. And rather than demand the smashing of parliamentary representation in the name of direct democracy or call for the supersession of the alienated market by workers' control, the successors to the bureaucratic pseudosocialists whose fall Castoriadis so long anticipated have given up all of his yearnings for total social redemption. Not even the dream of socialism with a human face, which was still alive in the 1960s, has the capacity to move them.

Instead, today's revolutionaries seem intent on improvising a future that will be neither socialist in any traditional sense of the term, nor barbaric. What it will be in positive terms is still very unclear, and the dangers are no less evident than the opportunities. For in so fervently repudiating socialism of any kind they risk losing the still emancipatory residues of a body of thought and practice that was by no means homogeneous. Amidst the ruins, there are surely shards of emancipatory energy worth salvaging. Although the radical hope for socialism as a fully redeemed form of life, so passionately promoted by Castoriadis for much of his career, can now be allowed to fall into oblivion, the memory of more specific socialist hopes should not be lost.

But whatever will emerge from the current upheaval, it will certainly not be that barbarism that called itself socialism, against whose horrors Cornelius Castoriadis so tirelessly warned. A visit to his now seemingly remote world must, therefore, be judged as more than an exercise in nostalgia. It provides as well an opportunity to witness the evolution of a first-rate critical intelligence through a series of successive positions, without the sacrifice of moral integrity. For all the datedness of his political analysis, for all the flaws in his vision of utopia, it is Castoriadis's stubborn refusal to forgo critique for apology that allows him to survive the debacle of his world and still have something to say to our own. □

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Russell Jacoby

PRAGMATISTS AND POLITICS

THE AMERICAN EVASION OF PHILOSOPHY: A GENEALOGY OF PRAGMATISM, by Cornel West. University of Wisconsin Press, 1989. 279 pp. paper.

Cornel West is a smart fellow who has written a difficult but challenging book. It is impossible to read *The American Evasion of Philosophy* without recognizing his gifts: intelligence, wide reading, and basic—is this word still allowed?—humanism. West is a generous critic who seems at home everywhere. He relentlessly proposes, makes points, judges commentators, evaluates secondary literature, spins theories, and more. If not a *Wunderkind,* he is a wonder.

His very reach may be his undoing, however; West's book almost suffers from overambition. He wants to do too much, make too many points, allude to too much literature, cover too many bases. He calls his book a "political act" addressing "the crisis of the American left." Fine, but his book is also for the philosophical cognoscenti and academic intellectuals; much is technical and jargon-ridden.

For this reason a contradiction runs through his study. West constantly invokes political action, the poor, the outcasts; he criticizes a Harvard professor for ignoring "the burning cultural and political issues in the everyday lives of ordinary people . . . escalating racial and sexual violence, pervasive drug addiction and alcoholism, breakdowns in the nuclear family." By this yardstick, however, West does not measure up; these burning issues hardly inform his book.

West wants a new "prophetic" and political pragmatism committed to cultural and social change. Forty years ago Morton White, the historian, concluded that the pragmatists enriched America with fundamental ideas—instrumentalism, progressive education, legal realism, a new history and politics, institutional economics, and political liberalism. These concepts are hardly exhausted; and insofar as professional philosophy has long ignored American pragmatism, West's project of retrieval is both necessary and praiseworthy.

West explores the prospects for a new pragmatism by surveying thinkers from Emerson to Gramsci and Foucault. His title misleads, for in West's lexicon the "evasion of philosophy" is positive. Beginning with Emerson an American pragmatism evaded an "epistemology-centered philosophy" for a more moral, plebeian, and progressive approach that West commends. To be sure, Emerson is not usually identified as a pragmatist. West argues that Emerson's themes of individuality, voluntarism, and amelioration "prefigure" pragmatism. In Emerson he detects a philosophic and laudable "evasion" that colors all American pragmatism.

Unlike European philosophers Emerson spurned talk of timeless substances and transcendental qualities; he preferred "tentative strategies, contingent functions, enabling tactics, and useful devices." He viewed knowledge not as something to be "grounded or privileged" but as "instrumental effects of human will." Emerson's evasion "sits at the core of his rhetorical strategies and the tools he deploys to create himself as an organic intellectual and to constitute a constituency over which he exercises ideological and moral leadership." Perhaps, but note that West slides into the lumpy prose of postmodern academic theorizing. With social and biographical materials, West is lucid and fast paced, but vast quotes and dreary tracts of academese slow things to a crawl.

From Emerson, West turns to Charles Peirce. While Peirce's "penchant for rigor and exactness in logical reasoning is alien" to Emerson, West argues that the philosopher elaborates the Emersonian "evasion" within a professional context. This means Peirce highlights "the centrality of contingent and revisable social practices in acquiring knowledge." Peirce remained committed to the "Emersonian theodicy that promotes human progress, betterment and moral development." After Peirce, West takes up James and Dewey, expending many pages on Dewey, whom he calls the American "Marx *and* Hegel"—although Dewey "failed to grapple" with Marxism. Again West is most lucid on biographical and social issues.

Dewey leads West to what he calls "the dilemma of the Mid-Century Pragmatic Intellectual," a loose collection of thinkers—Hook, Trilling, Mills, Niebuhr, Du Bois—who mined an Emersonian pragmatism in an era of dwindling possibilities. West is often incisive about these thinkers, but the assortment is too random, the links to pragmatism too lax. He describes them in terms applicable to virtually any modern intellectuals. "Pervasive in their writings are a sense of the tragic, a need for irony, a recognition of limits and constraints, and a stress on paradox, ambiguity and difficulty."

His conclusions about this group hardly follow from the previous chapters; there is little here about Emersonian pragmatism. These five figures all

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"display varying degrees of suspicion of working- and lower-class people," employ some notion of tragedy, and "are themselves personally empowered by pragmatism to overcome marginality or inferiority complexes by means of their own acts of intellectual will, i.e., writing." Several of these points seem dubious; for starters, in West's own account Mills rejected a tragic ethos. ("Mills had little patience with the 'tragic-sense-of-life' perspective.") The personal empowerment proposition seems unjustified; West just throws it out, but it could equally be argued that *all* intellectuals write to overcome inferiority complexes.

The last chapters take up an even looser collection of thinkers: Quine, Putnam, Rorty, Roberto Ungar, Foucault, and Gramsci. It is sometimes difficult to follow West; after highlighting the political, social, and personal inadequacies of the "mid-century pragmatic intellectuals," West discusses Quine, where none of this is pursued. Quine is a "genius," who intervened "in the most sophisticated discourses of symbolic logicians." Did he have an inferiority complex? A love for the working classes? West does not ask, but also doesn't explain why it is not important to ask. As with so much of this book some paragraphs sparkle—for instance, West makes many salient points about Rorty—but the larger argument is shunted aside.

The last chapter pursues "prophetic pragmatism," or what West calls "the best chance of promoting an Emersonian culture of creative democracy by means of critical intelligence and social action." To get at this pragmatism, West examines the work of Roberto Ungar. His *Politics* harbors "deep elective affinities" to pragmatism. Ungar's work also participates in a "third wave of left romanticism" now sweeping through "first-world progressive intelligentsia." Dewey and Gramsci represent the second wave, Emerson and Marx the first wave. Again the pot boils over, and it is hard to know if it is because the pot is too full or the heat too high. No matter what it means, it seems doubtful that American and European "progressive" intellectuals are presently drawn to a Deweyan or Gramscian romanticism; more likely they lean toward a new skepticism or sobriety. Moreover what do Dewey and Gramsci or Emerson and Marx share? Finally, these categories are only introduced in the last pages of the book. If they are important why didn't West allude to these romantic waves earlier?

West is not finished defining prophetic pragmatism; he offers thoughts about Foucault and postmodernism; again, his thoughts are worthwhile, but the claims, jargon, and pedantry make for rough going.

> Prophetic pragmatism affirms the Niebuhrian strenuous mood, never giving up on new possibilities for human agency—both individual and collective—in the present, yet situating them in light of Du Bois's social structural analyses. . . . Following the pioneering work of Hans-Georg Gadamer and Edward Shils [West's only mention of Gadamer and Shils], prophetic pragmatism acknowledges the inescapable and inexpungible character of tradition, the burden and buoyancy of that which is transmitted from the past to the present.

Unfortunately this passage is typical. West loves to pile it on: references, lists, and honor rolls. Often the references seem pointless. "Similar to Alasdair McIntyre in his influential book *After Virtue* (1981), Mills believes he resides in the new Dark Ages." A comparison like this does not illuminate. Or he writes that "much like Max Horkheimer and Theodor Adorno's *Dialectic of Enlightenment* (1947) Trilling's *Sincerity and Authenticity* traces the decline of reason and the rise of irrationality." To compare Trilling's casual lectures to *The Dialectic of Enlightenment* hardly seems justified.

West routinely states what and who are the most profound, the most sophisticated, the most important. Peirce was "the most profound philosophical thinker produced in America," not to be confused with Dewey, "the greatest American pragmatist." Niebuhr was "the most influential cultural critic in mid-century America." Du Bois was "the greatest" American intellectual of African descent. Quine is "now the world's most distinguished English-speaking philosopher and professor emeritus at Harvard." West, who teaches at Princeton, seems obsessed by Harvard professors. Even when bucking the fashions to discuss a philosopher not at Harvard—Wilfred Sellars at the University of Pittsburgh—West explains that "after Harvard Pittsburgh has the finest philosophy department in the country."

The perpetual name-dropping more than distracts; it suggests that despite regular appeals to political action and working people, West writes mostly for professional colleagues. In the last paragraph of the penultimate chapter, West builds toward a lyrical conclusion; the new pragmatism must ground theory in "social movements" and "efficacious strategies and tactics for fundamental social change." He continues: "The time is now past for empty academic theoreticism, professional antitheoreticism and complacent 'radical' antiprofessionalism. The examples of intellectuals like John Dewey, W. E. B. Du Bois, Sheldon Wolin, Stuart Hall, Elizabeth Fox-Genovese, and Edward Said must be followed."

This is bizarre. From this list only Dewey and Du Bois have been discussed—and criticized. "Dewey's project," West writes earlier in the book, "never

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really got off the ground. Like Emerson's moralism, Dewey's culturalism was relatively impotent." One hundred pages later Dewey is the model. Moreover, West has not offered a word about the others. What do they represent? Said exemplifies a type of activist intellectual, but does Elizabeth Fox-Genovese or Sheldon Wolin or Stuart Hall? The point, really, is not whether they do or do not but whether their commitments and writings are so familiar that West need only list them. I don't think so, and one is left wondering what West is up to.

West has many valuable things to say, but the ills of *The American Evasion* are more than stylistic infelicities; the relationship between detail and concept, name and argument, is skewed. The material runs away from him—perhaps from anyone. West's project of reclaiming American pragmatism is salutary but incomplete; alas, he homogenizes pragmatism and postmodernist theories rather than rethinking America's classic philosophy. Shining with intelligence, *The American Evasion of Philosophy* is embedded in the lava of scholasticism. □

Leo P. Ribuffo

McCARTHYISM RE-REVISITED

NIGHTMARE IN RED: THE MCCARTHY ERA IN PERSPECTIVE, by Richard M. Fried. New York: Oxford University Press, 1990. xi + 229 pp. $22.95.

Senator Joseph R. McCarthy described McCarthyism as "Americanism with the gloves off," but few students of this century's second red scare have been satisfied with his definition. As that scare ebbed in the mid-1950s, the earliest serious students of the subject, a group of pluralist social scientists led by Daniel Bell, Nathan Glazer, and Seymour Martin Lipset, interpreted McCarthyism as a movement of the far right. For them the second red scare was primarily the work of Americans anxious about their rising or falling status: displaced elite WASPs, sunbelt millionaires, and Catholic ethnics like McCarthy himself. According to the pluralists, this "extremist" anticommunism differed qualitatively from the sensible version promoted by President Harry S. Truman and fellow adherents to the "vital center."

By the late 1970s an alternate interpretation had gained a significant academic following. Diverse historians, including Richard Fried, Thomas Reeves, and David Oshinsky, portrayed McCarthy as a standard-issue Republican conservative whose rise and fall were part of mainstream partisan politics. World-class sleaziness made McCarthy first among equals; yet this century's second red scare also encompassed Richard Nixonism, Karl Mundtism, and, some scholars added, Harry S. Trumanism. In particular, Athan Theoharis and Richard Freeland stressed that Truman's rhetoric and his loyalty-security program opened the way for McCarthy's rampages. A less scholarly version of this argument also marked the memoirs of former communists and Popular Front liberals.

No intellectually interesting defense of conservative anticommunism has appeared since William F. Buckley, Jr., and L. Brent Bozell published *McCarthy and His Enemies* in 1954. Even Nixon now uses "McCarthyism" as a synonym for smears. Nevertheless, there is no scholarly—let alone popular—agreement on the meaning of the second red scare. Historian William O'Neill represents the latest interpretive turn. O'Neill not only complains that revisionist accounts in the 1970s obscured the merits of "vital center" anticommunism, but also suggests that the scare harmed few Americans, many if not most of whom deserved what they got.

In this context, Richard Fried's attempt to put the McCarthy era "in perspective" is especially welcome. *Nightmare in Red* reflects thorough research and judicious judgment. According to Fried, the proximate origins of McCarthyism lay in the "grievances and ambitions" of conservative politicians, but the second red scare extended "well beyond the antics of Senator McCarthy—indeed, well beyond the boundaries of conventional politics." Simply put, McCarthyism *was* a militant version of Americanism, what proponents of the first red scare in 1919–20 called "100% Americanism."

As a prelude to cold war countersubversion, Fried discusses Communist party activities between the wars, cultural legacies of the first red scare, and the widespread fear of radical and fascist "fifth columns" during 1939–41, a fear that eased passage of the Smith Act and creation of a permanent House Committee on Un-American Activities (HUAC). In 1944, Republican presidential nominee Thomas E. Dewey accused the Roosevelt administration of harboring communists. Dewey convinced only the party faithful, but lesser Republicans, reorchestrating this allegation after the cold war began, won control of Congress in 1946. The second red scare had begun.

Expanding the wartime loyalty-security program, Truman temporarily recaptured the issue of domestic subversion and used it against "Henry Wallace and

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his Communists" during the 1948 campaign. The fall of China, conviction of Alger Hiss, and the Korean War helped Republicans take it back. In 1950 McCarthy emerged from obscurity and gave the era its name. Following standard scholarly accounts, Fried shows that the notorious senator from Wisconsin baited reds and nonreds as early as 1946, shrewdly manipulated the press, and benefited from the cowardice and ineptitude of his foes. Fried remains properly skeptical of the Eisenhower revival currently sweeping the historical profession. The Republican administration elected in 1952 not only adopted a "laissez-faire approach" to McCarthy, but also continued Smith Act prosecutions and made the federal loyalty-security program, never a model of due process, even less fair.

Although Fried offers no startling new interpretations, *Nightmare in Red* stands out as an even-handed account of an extraordinarily controversial subject. He succinctly analyzes the major Supreme Court cases, explains how loyalty-security checks actually operated, and follows the investigative escapades of HUAC and the Senate Internal Security Subcommittee. Beyond the federal government, he shows that fervent anticommunism had "deep roots in American culture." There were state and municipal red scares; purges of unions, universities, and professional societies; and ad hoc countersubversive "festivals." In 1950 a make-believe communist coup in Mosinee, Wisconsin, received respectful attention in national news media. Signs of subversion were found in zoning ordinances, children's books, Kinsey reports, abstract murals, realist murals, and the Cincinnati Reds (briefly born again as the Redlegs).

From Fried's account, we learn again what should be obvious, that McCarthyism narrowed political debate, curbed labor militancy, slowed the civil rights movement, helped discredit feminism, ruined careers, and destroyed lives. Furthermore, the second red scare left an infrastructure for the third, which began with President Lyndon Johnson's harassment of antiwar groups and ended with the Watergate scandal. Nor was the second scare primarily the work of "extremists." On the contrary, some decent teachers, lawyers, and trade unionists vilified their colleagues, and mainstream politicians believed—or professed to believe—cruel absurdities.

Since the late 1970s, debate about the meaning of the second red scare has intersected with an equally volatile debate about American communism. Such able scholars as Maurice Isserman and Mark Naison have removed the Communist party from the realm of demonology and stressed rank-and-file commitments to the labor movement and racial equality. In their memoirs, many ex-Communists and Popular Front liberals expect to be loved for the enemies they made, notably McCarthy and Nixon. "Vital center" liberals have been unconvinced by the revisionist scholarship and, as Professor O'Neill's complaint suggests, appalled by the memoirs. Unfortunately, Fried never explicitly treats the Communist party's impact on American life, perhaps because he believes—rightly—that nothing the Communists did justified the second red scare.

Fried confronts other continuing controversies head on. He finds Alger Hiss and Julius and Ethel Rosenberg guilty as charged; the Rosenbergs were cold war "scapegoats, but not innocent ones." And President Roosevelt was no card carrying member of the American Civil Liberties Union. As Fried shows, FDR promoted the fifth column scare of 1939–41, expanded J. Edgar Hoover's power, and used the FBI for political surveillance.

Sometimes Fried tries so hard to be judicious that his judgments seem murky. He says that some Truman administration actions, including loyalty-security checks and Smith Act prosecutions, propelled the second red scare, yet slights the effect of Truman's words, including the bitter attacks on Wallace in 1948. Here Fried underestimates the impact a strong president has on the nation's political style. As Buckley and Bozell maintained in 1954, McCarthy's propensity for wild charges shared more common ground with Truman's oratorical excesses than most liberals liked to admit.

Fried treats even more generously those liberals in Congress who voted for the Internal Security Act of 1950, the Communist Control Act of 1954, and other legislative abominations. He doubts that a "less pragmatic, more absolutist civil libertarian position would have brought benefits." This conclusion is not only questionable, but Fried's own evidence prompts questions about it. As he demonstrates, Truman's attempt to outflank the Republican right with anticommunist speeches and loyalty-security investigations ultimately failed. Moreover, even with Eisenhower heading his ticket in 1952, McCarthy received only 54 percent of the vote against a weak opponent. Efforts to take the Mosinee morality play on the road encountered apathy and hostility in other communities. "Everyone was against communism," Fried writes, "but there were limits to the exertions the average citizen was willing to invest in that sentiment."

What limits? Pluralist interpreters of McCarthyism postulated a seething population of mass men and mass women vulnerable to demagogic appeals. Cer-

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tainly devotion to the abstract principle of free speech was rare, but matter-of-fact tolerance seems to have been more widespread than these scholars recognized. Then too, even seething mass men and women get bored. Ironically, traditional American apathy about public issues, condemned as a national character flaw by liberal cold warriors, conservative red baiters, and distinguished social scientists alike, may have mitigated the effects of the second red scare.

Undoubtedly anticommunism had deep roots in American society, as Fried says. Yet even though McCarthyism has been studied as thoroughly as any post–World War II domestic issue, we still do not know how far the roots extended. We need a better understanding of the various cultures of anticommunism—including displaced elite WASPs, sunbelt millionaires, and ethnic Catholics. Practitioners of the "new social history" (which, as intellectual trends go, already seems thoroughly middle aged) have by now studied virtually every heroic Populist, Socialist, and *ante bellum* artisan. Perhaps they should turn some attention to the enemy.

One more thing: a less pragmatic, more absolutist civil libertarian position would have been right. □

Jeffrey Stout

MORAL PHILOSOPHY AND THE MODERN WORLD

WHOSE KEEPER? SOCIAL SCIENCE AND MORAL OBLIGATION, by Alan Wolfe. Berkeley, Los Angeles, and London: University of California Press, 1989. 371 pp. $25.00

Adam Smith became professor of moral philosophy at the University of Glasgow in 1752. To hold such a professorship in that time and place was to be recognized as a chief spokesperson for enlightened Scottish culture as a whole. His responsibility, along with that of his counterpart at Edinburgh, was to articulate his society's self-understanding, in lectures and published writings, thereby shaping the outlook of the entire student body as well as tutoring the educated public at large. As Alan Wolfe points out, Smith was no mere economist and no champion of self-interest as a trustworthy guide for all the spheres of human life. His moral philosophy was designed to give a place not only to commerce, where self-interest reigns, but also to republican politics and civil society. *The Theory of Moral Sentiments* came first, both temporally and logically, in Smith's thinking. The book for which he is now most famous, *An Inquiry into the Nature and Causes of the Wealth of Nations,* came later.

Wolfe's book does not attempt a detailed reexamination of Smith, and it would be unfair to dwell on the weaknesses of his interpretation of eighteenth-century thought. Wolfe is interested in Smith not as an object of scholarly exposition but as a model. He would like to recover the moral tradition to which Smith's political economy belonged. He wants to take Smith back from the right-wing economists and claim him as an exemplar for sociology as a kind of moral philosophy.

Neither professional philosophers, theologians, novelists, nor political leaders, he says, are capable of providing us with the sort of understanding of our common life that Smith provided for his contemporaries. The responsibility falls, therefore, to the social sciences. Smith, who helped found the social sciences, "was by trade a professor of moral philosophy. His followers, though themselves often unwilling to admit it, have the same calling." The social sciences, Wolfe holds, are and should be the operative moral philosophies of modern societies. "In looking to religion, philosophy, literature, or politics to find the rules of moral obligation, we look in the wrong place." We should be looking to the social sciences instead. They, according to Wolfe, are the true "theater of moral debate in modern society."

Wolfe's ambitions for the social sciences are rather grandiose. It is unlikely that any group of theorists can play a role for us comparable to the one Smith and a few others like him played for eighteenth-century Scotland. The moderate Presbyterians for whom Smith spoke found themselves in a powerful position after the union of Scotland and England in 1707. The educational system they instituted was self-consciously designed to inoculate the future leaders of the nation against evangelical enthusiasm, the skepticism of Smith's friend David Hume, and traditionalist moral qualms about the expanding sphere of commerce. It thrust a small handful of like-minded moral philosophers into a position of influence and power seldom enjoyed by intellectuals of any sort.

It therefore makes sense to say that in those days Scotland had an operative moral philosophy. But not many ruling classes have been as serious about developing and inculcating a quasi-official moral outlook as Smith's contemporaries were, and few societies today possess either the cultural uniformity or the educational system to make it happen again. So I suspect that Wolfe's view of the social significance of the social sciences is insufficiently sociological. Our society just doesn't have a single

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moral philosophy, and it is as unlikely to get one from sociologists as from anyone else. Under social circumstances like ours, an interpretation of our situation supplied by the social sciences is destined to remain one among many, carrying no more authority than that of the philosopher or the novelist. It would be unrealistic to hope for more. Yet Wolfe is surely right in supposing that sociology can make itself more valuable to the culture by reflecting on the moral assumptions it makes, and his criticisms of those assumptions are in some cases highly instructive.

Modern societies have distinct, differentiated parts: the market, the state, and civil society. Social theory has therefore undergone a corresponding division of intellectual labor. Economics is the theory of the market, political science the theory of the state, and sociology the theory of civil society. A social order of separate compartments needs separate departments of theorists to supply its self-understanding. Indeed there are serious dangers, Wolfe thinks, when this division of intellectual labor is not respected, when theorists of one sort try to take over the entirety of social life on behalf of their own discipline.

Such theoretical imperialism reflects and reinforces tragic tendencies within modernity itself. What Smith described as the sphere of commerce has developed into the vast empire of the capitalist market. The political sphere has become the sprawling bureaucratic domain of the welfare state. Civil society, meanwhile, lying like Poland between two hostile armies, has been invaded repeatedly by both sides and today finds itself impoverished, facing an uncertain future. So when economists and political scientists try to extend their modes of social analysis beyond the market and the state, respectively, we should not be surprised that they meet with some explanatory success. Modernity does in certain respects increasingly confirm the claims of economists like Gary Becker and political scientists like Mancur Olson, but only because civil society is in certain respects increasingly dominated or displaced by alien forces.

Civil society requires defense. It deserves to be understood on its own terms, not on the terms of theorists intent upon conquering it for their own disciplines. Wolfe is at his best when showing how the imperialistic aims of the Chicago school economists, in particular, threaten to flatten out the structure of human motivation. "They have an idea about how the world works. This idea seems to apply in some areas of life. It therefore follows, they believe, that it ought to apply in all." Wolfe offers a similarly revealing discussion of the political scientist Lawrence Mead.

He does not, however, leave his fellow sociologists unscathed. In an interesting chapter called "Sociology Without Society," he convicts such sociologists as Peter Blau, Morris Janowitz, and Talcott Parsons for relying excessively on "models of moral obligation taken from . . . economics and political science." Sociologists, it seems, are often too busy imitating the approaches of neighboring disciplines to work out an approach uniquely suited to their proper subject matter, civil society. Self-interest and politically enforced obligation are not, Wolfe insists, the only motivations at work in the human breast. It is the task of sociology to determine what makes civil society distinctive and thus to discover what we stand to lose if civil society is further invaded by the market's cost-benefit rationality and the welfare state's preoccupation with individual rights. This task cannot be accomplished with borrowed tools.

Wolfe is better at arguing against the use of borrowed tools than he is at fashioning new tools of his own. His conception of civil society is still largely defined in negative terms: it is the sphere of associational life that is left over once the economic and the political are subtracted. Positively, it seems to be the sphere of families, communities, and voluntary associations, but Wolfe does not locate its boundaries precisely or say very clearly why these various entities should be grouped together. What they seem to have in common, on his view, is that they all involve a particular kind of rule that individuals use in deliberation, debate, and appraisal of human action. What makes rules of this kind distinctive, when contrasted with economic rules of efficiency and political rules about rights, is that they pertain to moral obligations.

If we take this view as the key to Wolfe's conception of civil society, the reasoning behind his main theses becomes straightforward. First, sociology needs its own analytical tools because forms of associational life structured around obligations are in crucial respects unlike other forms of life. Second, sociology is and ought to be a moral philosophy because obligations are its central topic. Third, civil society requires defense in practice because the sphere of life within which people acquire a sense of obligation to others cannot shrink beyond a certain point without undermining all forms of associational life.

Wolfe's moral philosophy is a variety of constructivism, the theory that human beings make the moral rules by which they live. Yet Wolfe seems largely

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unaware of the long and rich tradition of constructivism in which he is participating, and he does little to clarify the sociological version of the theory he prefers. Philosophical alternatives to his theory, when considered at all, are treated dismissively. Both John Rawls, the leading contemporary proponent of constructivism, and Emile Durkheim, to whom Wolfe's theory is directly indebted, come in for severe criticism, but neither one is interpreted with requisite care. Wolfe's claim that his version of constructivism provides an effective response to the charge of relativism receives no detailed explication or defense.

The central concepts of the theory—such as obligation, rule, moral code, dilemma, and social practice—are only sketchily defined, and Wolfe does not defend his decision to make them central. Why focus on obligations instead of traits of character, or on moral dilemmas instead of the settled dispositions and affections that determine which dilemmas a person is likely to confront? Why define moral codes in terms of rules, given the objections to this approach recently articulated by a moral philosopher like Annette Baier? What is the difference between applying a moral rule, an activity Wolfe approves of, and appealing to a principle, an activity he frowns upon?

None of these questions is answered in *Whose Keeper?* One thing Wolfe does not practice, in short, is moral philosophy. His book includes no rigorous reflection on how best to conceive of the moral life. This is not to say, however, that Wolfe fails to discover something morally significant when he engages in his empirical work. His conceptual tools may not be carefully wrought, but he uses them to good effect.

Wolfe takes his tools to two sites. The first is the United States, where civil society is threatened mainly by the market. The other is Scandinavia, where the threat comes primarily from the welfare state. In both cases, Wolfe concentrates on what is happening to the way certain obligations are being discharged—especially care of children, the elderly, and the needy. He marshals data from many sources to show how families, communities, and voluntary associations have been transformed, often for the worse, as obligations have in recent decades been shifted to market or state and reinterpreted in terms of rights.

Wolfe is a leftist. He began his case studies deeply suspicious of market-oriented solutions to social problems. His examination of America did not markedly lessen that suspicion, but his examination of Scandinavia gave him new worries about state-oriented solutions to the same problems. Predisposed to see Scandinavian socialism as the great success story of the left, he was chastened by the facts he found, and it is important for those of us who share his biases to confront those facts too.

Not that those facts are entirely discouraging. Scandinavian socialism has had its share of successes—in liberating women to enter the marketplace, in extending help to the helpless, in equalizing incomes. But the rates of crime, suicide, and family disintegration are rising sharply. Loneliness and isolation are rampant. Because so many Scandinavians of both sexes are full-time wage earners, with women often doing jobs that used to be done within the family, few people have the time and energy they used to have to forge lasting social bonds with others. They therefore get less and less support from families, friends, and neighborhoods, and the need for state intervention grows. The harshest effects are felt by those who function poorly in the economic and political systems. The young, the old, the needy, the ill, and the marginal must often be institutionalized to be cared for at all. Meanwhile, the welfare state confers increasingly disproportionate benefits on the middle class. It allows middle-class people to "buy the labor of others who will perform their obligations for them."

Because the American data are also bracing, the joint effect of the case studies is doubly worrisome. The threat to civil society appears every bit as real in the one case as in the other. Wolfe does not consider the threats symmetrical; he thinks Scandinavian socialism has done more good and less harm than American capitalism has. The question is how, if at all, civil society can be strengthened in either setting. The standard solutions proposed by the right and the left—namely, "more freedom for the market" and "more state intervention"—seem more like symptoms than cures. Conservative defenders of the capitalist market and socialist defenders of the welfare state will now have to face the evidence that their policies, while clearly yielding benefits in various ways, are also making things worse in others. There are many facts here to make those of us on the left squirm.

Wolfe is saying that the market and the state have been living off of civil society from the beginning. If they eventually suck it dry, they too will be threatened. Workers and citizens who lack the moral sensibilities that can be supplied only by civil society are likely to feel no real connection with one another. Lacking a sense of obligation, they will be bound to wreak havoc not only in their families or

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their friendships but in the economic and political orders as well.

This is the point in the argument where some authors simply turn their backs and run, offering only praise for the past, gloom for the present, and doom for the future. Wolfe does not. There are hard choices ahead, gains as well as losses to contemplate, and no higher ground available for the discontented. Ambivalence, not nostalgia, he says, is the fitting attitude for sociology to take toward modernity. He is surely right about that. But he gives few hints about how this attitude should express itself politically or about how we might defend civil society once we understand the forces placing it at risk. Instead, he sketches the broad outlines of the constructivist ethical theory.

Regrettably, given the author's ambitions for his discipline, this is where the book succeeds least. *Whose Keeper?* will not do for us what *The Theory of Moral Sentiments* did for Smith's Scotland. But it will do some other things that need doing for leftist social thought, and it may well be that trying to follow Smith's example helped Wolfe get them done. □

Peter Mandler

THE LAST COLD-WAR NOVEL

THE SYKAOS PAPERS by E. P. Thompson. Pantheon Books, 1988. 490 pp. $19.95.

An alien, Oi Paz, from the ultrarational, computer-directed society of the planet Oitar, crash-lands on Earth. Here he becomes a pawn in a cold war power struggle, typical of an irrational race whose belief in "free will" permits such pointless conflicts. (The Oitarian word for Earth is "Sykaos," and the meanings of this coinage are not difficult to decode.) But the Oitarians are coming to rescue Oi Paz. Will the threat from without bring humanity together and usher in a new era of planetary harmony?

This crude plot summary of *The Sykaos Papers*—the first novel by Edward Thompson, social historian and eloquent voice for nuclear disarmament—is not very promising, either as parable or as science fiction, and on these grounds it has been dismissed by some critics on this side of the Atlantic. But the book can be read differently. Among other things, it is a serious exploration of the deep structures in human culture and a critique of the abuse of structural analysis by historians and anthropologists.

Thompson takes from social anthropology the central idea of the book, that the mental world of humans is structured by certain fundamental "binary oppositions," pairings that begin with physically determined traits (left/right, male/female) and develop into complicated cultural constructions (raw/cooked, sacred/profane). The issues of how such oppositions arise, how the delicate boundary areas between them are treated, how the boundaries are crossed and the oppositions broken down or reformulated—these issues weave through all of Thompson's writings of the last twenty years. In his social history, he has been preoccupied with the question of how the estranged "plebeian" and "patrician" worlds of eighteenth-century England could develop within a supposedly common culture and then harden into the quite distinct cultures of class society in the nineteenth century. His politics have been about crossing class boundaries—in early career, as a middle-class Communist and as a Workers Educational Association tutor—and about striving for the classless society. As a seminal figure in the early New Left, he polemicized for a Marxist humanism against the superstructuralist Althusserians who came to predominate in the theoretical discussions of the later sixties. In methodological writings, he has urged historians to take more seriously the dense and complex meanings of the symbolic world, without embracing too heartily the deterministic and static qualities of anthropologists' structural analyses.

More recently, in his writings on the cold war and the culture of East-West deadlock he calls "exterminism," he has propounded a quite orthodox structural analysis of his own. "The fear or threat of the Other," he wrote in *Beyond the Cold War*, "is grounded upon a profound and universal human need. . . . [B]onding by exclusion is intrinsic to human socialization." In the peculiar historical circumstances of the post–Second World War period, bonding by exclusion has developed a runaway inertia, and the cold war became "the central human fracture, the absolute pole of power" in the postwar world. His remedy is to cross the boundary: to re-create, through internationalism, a common culture of humanity.

"We cannot expect to have the good fortune of having our planet invaded . . . by some monsters from outer space, who would at last bond all humanity against an outer Other," warned Thompson in *Beyond the Cold War*. On the superficial level, *The Sykaos Papers* is an imaginative playing out of that scenario. But Thompson is too subtle a

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thinker—and too sophisticated a student of binary oppositions—to leave it at that. The book is stuffed full of these oppositions, each one a study in the difficulties of communication, but crisscrossing the human terrain so that no single dualism tyrannizes over the complexity of real-world experience. Men misunderstand women; the military cuts itself off from civilians, and even within the army Officers can't communicate with Other Ranks; the upper classes snicker uncomprehendingly at working-class rituals; race and nationality divide even comrades.

Thompson undermines the complexity of this scheme by depicting some of these struggles in an embarrassingly one-sided or schematic fashion. When he has a man actually chase a woman around a table, he cannot retrieve the scene by observing that "the situation was stripped down to its primitive mythic fundaments, old goatish satyr pursuing nymph." Almost all of the working-class characters are thoroughly decent and humane; the military men, especially the Americans, are appalling philistines. Though here Thompson is stressing that a structural analysis must not blind the analyst to power imbalances and moral values—must not render us incapable of taking sides—nevertheless, by so blatantly disregarding his own injunction to consider the intricate ways in which *both* sides of an opposition define themselves against the Other, he sacrifices most of the intellectual justification for these cardboard characterizations.

But these are sideshows, and the main event more than compensates. The bulk of the book is occupied with a detailed narrative, viewed fully and ingeniously from *both* sides, of the encounter between the alien, Oi Paz, and the anthropologist, Helena Sage, recruited by NATO to study him in a secured compound in rural England. Here is the binary opposition in its most extreme form: human vs. alien. How could this boundary possibly be crossed?

It may be that by posing this question Thompson is tackling a criticism of his writings on exterminism, one explicitly raised by Mike Davis of *New Left Review*. These writings have been filled with a despondency, a fatalism that sits uneasily with the work of the social historian committed to human agency as a motor of history. And in the confrontation between Sykaos and Oitar the situation appears doubly grim. The Sykotics (humans) are helplessly locked in their East-West opposition, racing toward destruction. The Oitarians are literally a programmed people, directed by computer, ritually acting out their roles according to fixed and predictable rules, "a structuralist's [or a totalitarian's] paradise."

Thompson has responded to the charge of determinism by showing how even the most extreme opposition can be bridged. Sage is, as an anthropologist, virtually a boundary-crosser by profession, and she is a woman in a man's world, a civilian drafted by the military, an Englishwoman poised between America and Russia. She is also a bit of a dreamer and a rebel, who strains against "the binary trap which seems to block and limit human thought." Nor is Oi Paz a hopeless case. He is a poet and thus rather more imaginative than the average Oitarian. He proves a penetrating observer and critic of human rituals. And his own society, as Sage discovers, is not without its good points, nor without stresses and contradictions; Oitarian nature cannot be totally programmed any more than humans can completely escape the programs of their cultures and power structures. There is a clever twist, too, in the hints dropped that the two peoples *do* after all have some common fund of culture; a mysterious thread, for instance, links Sykotic and Oitarian poetry, myth and legend—a necessary symbolic solution to the symbolic problem of the binary opposition.

Thompson writes of the Sykaos-Oitar confrontation, unlike some of his other oppositions, with subtlety and sympathy and, in charting the process by which Sage and Oi Paz grow toward each other, with powerful emotion as well. Having thus engaged our feelings as well as our intellect, the book succeeds in its later stages far better than in earlier sections. The encounter between Sage and Oi Paz is good ethnography *and* good fiction, and it carries the reader to the book's several climaxes, to its unclichéd resolution of the question whether humanity will unite against the alien, and to an arresting coda in which the book's underlying themes clearly shine through the parable.

But it is difficult, mixing these two discourses, Swiftian parable and intellectual exercise. Dickens, who addressed similar themes in *Hard Times*, dispensed with analysis. Reading *The Sykaos Papers* for its anthropological content makes one take the parable too seriously and judge it harshly; if you read it as parable you will have no patience for the lectures. One wonders why Thompson has made the attempt. As his own work has best illustrated, history provides us with far more credible stories of human agents struggling against oppressive structures. The apparent one-sided implosion of the cold war now also casts doubt on the utility of Thompson's thought-experiment, the positing of an extreme opposition to be bridged by a kind of

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superhumanism. For what common fund of culture is now being drawn upon to dismantle the Iron Curtain? Where are the pan-European movements Thompson thought necessary to break down the East-West divide? How much credit can we extend even to the international youth culture to which Thompson has pointed as carrying enough symbolic weight to fracture the cold war deadlock? The forces playing the most obvious role in the revolution in the East—internal contradictions of communism, reform from above—don't fit well in Thompson's intellectual schema.

In retrospect, then, *The Sykaos Papers* will read as somewhat dated, even a little cranky in its depiction of the cold war antagonism. But this depiction is not, after all, its central feature; what the book will be read and enjoyed for is, rather, a creative restatement of that consistent theme in Thompson's lifework, the power of human imagination to create new worlds within and against the limiting and oppressive structures of authority and conformity. That theme does not date. □

James Rule

CRIME AND SOCIETY

VIOLENCE IN AMERICA, VOLUME 1: THE HISTORY OF CRIME IN AMERICA, edited by Ted Robert Gurr. Newbury Park, California: Sage Publications. 1989. 279 pp. $17.95 paperback.

VIOLENCE IN AMERICA, VOLUME 2: PROTEST, REBELLION, REFORM, edited by Ted Robert Gurr. Newbury Park, California: Sage Publications. 1989. 371 pp. $19.95 paperback.

These books are the editorial grandchildren of a work first published in 1968. They then appeared as a report to the National Commission on the Causes and Prevention of Violence, formed in the wake of a political militancy that had shaken the entire country. A second edition appeared in 1979. If these two thoughtful volumes had no more important virtue, they would earn their keep by the reflections they spur on the changes in America over the twenty-one years since the original publication.

Those were the days of the Great American Cultural Revolution. The first edition of this work drew wide attention, doubtless motivated by desire for answers to the questions of the day: How could all this rebellion break out in such a peaceful, "consensual" society? What do such violent episodes tell us about the country?

One virtue of the original *Violence in America* was to cut through some historical delusions. The contributions—from historians and social scientists, including Charles Tilly, Louis Hartz, the late Morris Janowitz, and others—demonstrated how deep the strain of violence in American history goes. The events of the 1960s had in fact many precedents.

These insights are no less true today than they were then. Yet collective political violence, for reasons not difficult to plumb, has lost much of its hold in the public conscience. True, the issues occupying public debate today derive from those at the high-water period of public contention. But for the moment, violence does not promise, or threaten, to be the arbiter of these contests. Partisans today are more likely to turn to courts or legislatures.

Americans seem now to be obsessed with questions about crime that run parallel to those that agonized us about violence twenty years ago: Is America really as criminal as it seems? Is there a *moral* explanation for the surge of criminality that we seem to be experiencing? To what extent are these trends related to persistent social inequalities? Above all, what sorts of policies, what sorts of *politics*, offer the best hope of freeing the country of the scourge of crime?

Doing research that can answer such questions is a tricky business. Crime is an elusive subject for study—because it is so emotionally and politically charged, because those who commit it have so little interest in being studied, and above all because the processes by which it is recorded are so variable and poorly understood. But the contributions assembled by Gurr often transcend these obstacles.

The resulting vision is not uplifting. It is clear that the perceived rise in violent crime over the last generation is no mirage. After what appears to have been a long secular decline, murder rates rose sharply from the 1960s to the 1980s, both in the United States and other industrial democracies. The fact that Britain and Sweden show parallel trends (though at lower absolute levels) makes it hard to resist the conclusion that some fundamental social change is at work.

More alarming still, several chapters in Volume 1 link crime, and especially murder, to some of the most deep-going forms of inequality in American life. Among these, none is more striking than race. As editor Ted Gurr notes in his introduction to Volume 1,

> One of the most disturbing and perplexing features of violent crime in America is the fact that both offenders and victims are disproportionately black. . . . In northern

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> cities in the second half of the nineteenth century, blacks were two to three times more likely to be murdered, and arrested for murder, than whites. . . . The gap between white and black homicides reached its greatest extent in some northern cities during the 1970's and 1980's, with blacks as much as fifteen times more likely to be murdered than whites.

These studies offer no conclusive explanation as to why crime rates have risen so sharply in recent decades. But they do more than hint at the reason for the high rates of crime by and against black Americans—and that reason is the place they occupy at the bottom of a highly unequal social hierarchy. In Chapter 7, a methodical statistical study of Detroit (which Gurr calls "the murder capital of the United States and Europe in 1986"), Loftin, McDowall, and Boudouris dissect the social ingredients of a murderous social world. Their analyses show only moderate effects of short-term unemployment on crime rates. But enduring poverty shows marked conducive effects on murder rates: "The full influence of the economy on homicide was . . . apparent only over a period of several years."

If so, then the extended periods of chronic high unemployment in America, and its concentration among blacks, should lead to misery and mayhem well into the future. Such is the conclusion of Wesley Skogan, who argues in Chapter 11 that even enduring poverty has not produced crime where community institutions such as church, family, and school remained strong. But, he concludes,

> the fact that indicators of so many family pathologies now stand at historical highs does not bode well for levels of crime in the early twenty-first century.

It is a conclusion much like those of William Julius Wilson's *The Truly Disadvantaged,* and none the more reassuring.

Americans are not wrong to look to the analysis of crime as a way of understanding something basic about their country—any more than they were a generation ago when they demanded so urgently to know the origins of collective violence. To this reviewer, the lesson to be drawn from this work could hardly be more obvious: We need a crash program to bring socially devastated noncommunities that produce such high crime rates into the mainstream of American life. Such policies should not be seen as giveaways but as simple investments in saving lives and creating a livable social environment for everyone in the next century.

Whether the political will is present to learn and act on such lessons, it would be hazardous to guess. But these studies show how much evidence scholarship has provided for such conclusions. □

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Combat Over the Quiet Zone

Editors:

Writing the history of Local 1199 (*Upheaval in the Quiet Zone*) was a humbling experience. We were (and remain) sympathetic to the political ends of the union and impressed by the extraordinary achievement of leaders and members alike in carving out a significant, interracial common ground in what had been a no man's land for organized labor.

At the same time, we watched in horror when union leaders tore themselves apart over issues generally troubling the larger left-liberal community, but here given a special twist of personality, race, and politics. As authors, we sought to maintain a focus on the play of individual wills while also exploring the contexts which limited those wills. Reflexively identifying with the rank-and-file service worker, we learned quickly that much of 1199's history had been shaped for good or ill by other actors, the most important of whom were the union's leaders. The result, we think, is a mixture of social, institutional, and political history, a blend that we hope allows due credit and blame to workers, union leaders, as well as outside forces.

Nick Salvatore offers an alternative version of the 1199 story. Remixing the ingredients of our telling, the union's history, in his view, boils down to a few basic lessons: left-wing, intellectual Jews colonize a black proletariat; liberal Jews (as hospital administrators and newspaper publishers) willingly tolerate hospital unionism but no one else does; hospital unionism, belying its outward trappings as a crusade or social movement, is better understood as an incorporation within a larger pattern of public-sector collective bargaining; 1199's "problem of union democracy" is directly attributable to a persistent communist cell within the leadership structure; and finally, the union's leadership crisis reflects the imperial secular universalism of Leon Davis et al. inflicted upon the more organic, deeply religious, "specific ethnic experience" of Doris Turner and the black rank and file.

Since Salvatore draws entirely on our research to reach his conclusions, how could we—except out of blind loyalty to the traditional union leadership—have missed the same insights? But perhaps the story is not so simple.

Local 1199's history cannot be reduced to a sociological essentialism, an interplay of the Communist Jew, the Liberal Jew, and the Ethnic, Black Worker. The image of black workers as manipulated and acted upon by a scheming, conspiratorial leadership cannot account for the shared agency evident in what one close observer called 1199's extraordinary "culture of organizing." Just as it is anachronistic to read back the Lindsay Era "collusive" labor-management contracts into prior periods, so it is misleading to group 1199's initial breakthrough confrontations with the hospitals into the later pattern bargaining evident in pubic-sector labor negotiations. While Leon Davis's tenure of office may have betrayed a whiff of democratic centralism, the problem was one of decision-making structure and personality, not some secret Stalinist cabal. Indeed, the biggest "problem of democracy" surfaced when Salvatore's adopted victim-heroine, Doris Turner, took charge: for the first time, intra-union opponents were threatened with violence and an election was flagrantly rigged. Nor is the cultural polarity between leaders and led so neat as Salvatore alleges: the "deep roots" of Turner's religiosity escaped not only Davis but her closest black adviser. In short, "ethnic" union politics was likely as carefully constructed as the "progressive" culture characteristic of 1199's traditional leaders.

In our view, Salvatore's comments amount to a unilateral denunciation of the labor-political tradition bound up in Local 1199. As a biographer of Eugene V. Debs, Salvatore once speculated sensitively on the gulf separating Debs's American socialism from the ideology of the mass of American workers he tried to recruit. Now, Salvatore seems to have no patience at all with a labor organization inspired by more than self-interest. Such an a priori dismissal of the political left facilitates neat and quick copy. It does not, however, do justice to either the historical record or the recently renewed vigor of Local 1199. In general, one expects better within the pages of *Dissent*.

Leon Fink
Chapel Hill, North Carolina

Brian Greenberg
Newark, Delaware

Nick Salvatore Replies:

The letter of Leon Fink and Brian Greenberg in response to my review of their book is, unfortunately, further evidence of the problems with their work that I noted in the review itself. They offer political pieties when sustained analysis is called for and are unable to understand accurately the evidence upon which they base their views—in this case my review. For the record, Doris Turner is not my "adopted victim-heroine"; the "secret Stalinist cabal" is their language (I had called for a more thorough and less disingenuous treatment of the role of the Communist party in 1199); and their reduction of my

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comments to something called "sociological essentialism" is, to be most generous, a quite poor attempt to follow the tradition of comic farce in political writing that Marx captured so well in his *The Eighteenth Brumaire of Louis Bonaparte*. Nor would I be so presumptuous as to offer an "alternative version of the 1199 story" in so short a space. Rather, as the review makes clear, I have two basic difficulties with their work: the book is based on quite weak research and the interpretations that follow raise far more questions than they purport to answer. The book is a poor example of the historian's craft, and no amount of political posturing changes that reality. If the authors wished their book to be evaluated as a political tract, they should have indicated as much in the introduction.

Finally, by what mystical process did Fink and Greenberg discern that I now "have no patience at all with a labor organization inspired by more than self-interest"? Have they so identified with their subject that now they and it have become the new criterion on matters political? My review clearly applauds 1199 both for its collective bargaining gains and for its commitment to social justice. "Yet precisely, because of this joint role," I wrote, "a thorough and searching study of 1199 is needed." That serious study, one that can both appreciate and question simultaneously, still awaits its historian. □

No "Free Market" in Drugs

Editors:

I appreciate Stephen Jay Gould's observation that the divisions between illegal and legal drugs are not strictly based on the level of harmfulness of the substances (*Dissent*, Winter 1990). His approach should be differentiated sharply from the recommendations of market worshipers. Gould's approach has significant problems, while the free-market approach is sheer lunacy.

Gould's notion of legalization, that is, to "package these substances [marijuana and the opiates] in brown paper wrappers and make them available under some form of medical supervision," does not create a free market in these substances. Therefore, it may reduce, but does not eliminate, the incentive for the existence of black markets and the associated crime. Only universal availability would eliminate the black market. Black markets for many legal drugs available only under medical supervision (prescription) thrive. Dispensing the drugs under limited decriminalization might prove difficult. It is hard to imagine, on the one hand, how some doctors could be persuaded to administer drugs they believe to be harmful for reasons they consider to be frivolous. On the other hand, it is difficult to see how other doctors, preferring money to Hippocratic purity, could be relied upon to provide adequate medical supervision (whatever that might mean; it reminds me of the concept of "safe" nuclear weapons). Clearly, under limited decriminalization, significant expenditures for law enforcement and bureaucracy would still be required. To its credit this approach would allow the government a measure of control over the quality of the drugs sold through legal channels.

Second, Gould would prohibit "the advertising that we accept for alcohol and tobacco." However, for addictive drugs, a use on a given occasion is an advertisement for the next use. For non-addictive drugs, peer pressure advertises effectively. To address this problem, Gould favors launching "the most massive educational and advertising campaign in American history to discourage the use of all dangerous substances." Gould thus acknowledges a collective responsibility for individual preference formation, a notion abhorrent to free-market zealots. This is the major difference between Gould's proposal of limited decriminalization and proposals for legalization.

Full legalization, including commercial production and advertising, would relinquish the power of preference formation to those driven by the profit motive. The consequence would be widespread abuse as is the case today for tobacco and alcohol. What is needed in the fight against drugs is more social control over preferences for and availability of the already legal drugs. Limited decriminalization of illegal drugs should merely be a sideshow.

GUY RAGAN
Fort Collins, Colo. □

Legal Change in Eastern Europe

Editors:

Conspicuously absent from the Spring 1990 issue on the prospects for change in Eastern Europe was any sustained discussion of the legal and constitutional reforms that have occurred already in these countries and of the need for further constitutional reforms as prerequisites for the emergence of democratic institutions.

The authors generally and strongly emphasized the prospects for economic reform in Eastern Europe and noted the problems in creating new economic and political structures for these countries. Further, the articles also saw the conversion to market economies as potentially dangerous but necessary conditions for free democratic institutions (Dahl, p. 224). But with the exception of Denitch (p. 180), who hinted at some of the institutional changes needed to promote democracy, there was no discussion of the importance of rule of law, constitutional structures, and a sympathy for Western-style political structures as crucial to the emergence of free parliamentary governments.

None of the articles discussed the importance the different countries and their people have recently placed on constitutional reform, or upon how this appeal to constitutional change is a major move toward Western European style democracy and away from arbitrary rule. Although Howe (p. 6) did mention the scrapping of Article 6 of the Soviet Constitution, not even he captured how many of the political demands in Eastern Europe were legalistically defined and fueled or channeled into demands to rewrite or, in the case of Lithuania, to respect their

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constitutional rights. Even Denitch, fresh from Yugoslavia, neglected to discuss the continuous constitutional battles in this state and the importance of the courts and other constitutionally created structures as crucial to defining individual rights, rights of republics, and so on.

Although Dahl is correct that markets may be necessary but not sufficient conditions for democracy, respect for rule of law, constitutional limits on political power, and a willingness to submit the resolution of major political disputes to legislative-legal resolution are perhaps also necessary conditions for a stable democracy. Many of the articles discussed the problem of creating markets in a few years in Eastern Europe when it took centuries in Western Europe (e.g., Cohen and Tobin), but the authors ignored the fact that it also took centuries to create the type of Western democratic institutions they seem to want to create overnight in Eastern Europe.

Finally, while economic factors may be necessary conditions to the success of political change in Eastern Europe, by no means are they the sole conditions. Neglect of a discussion of the special problems in creating a "democratic consciousness" to go with a "market mentality," for example, suggest either unintentional oversight (I hope), unimportance (I hope not), or that in the minds of the authors there is an economic determinism to the prospects of political change in this part of the world.

The creation of democratic socialism requires the creation of democratic movements and institutions that will support these political and economic changes. Perhaps future issues of *Dissent* will address the legal-constitutional prospects for change.

DAVID SCHULTZ
Saint Peter, Minn. □

CORRECTIONS

Thanks to a reader in New Delhi for noticing the typo in Irving Howe's article (Spring, p. 186). Julian Martov died in 1923 *not* 1932.

The proverbial gremlin dropped a line from David Bromwich's article in the spring issue (p. 256). The second and third sentences in the first paragraph should read as follows: "The word itself is misleading as well as solemn, and I used it only because people on both sides of the debate have been using it. The subject of my article was something different."

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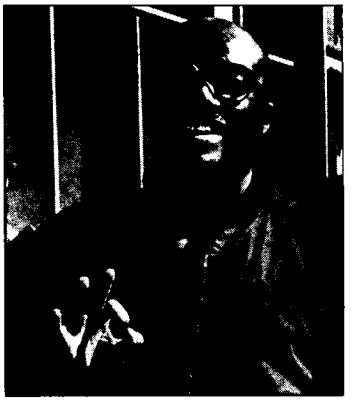

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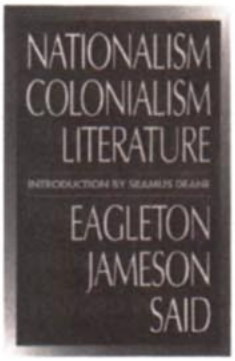

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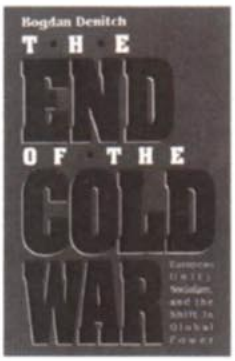

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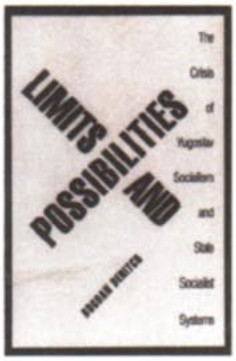

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